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LEGISLATIVE HISTORY

Public Law 383--78th Congress

Chapter 325--2d Session

S. 1764

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DIGEST OF PUBLIC LAW 383

March 9, 1944

S. 1764 was introduced by Senator Bankhead and was referred to the Senate Committee on Banking and Currency. (House of Representatives, 1944)

STABILIZATION EXTENSION ACT OF 1944. Extends the Emergency Price Control and Stabilization Acts until June 30, 1945.

Prohibits subsidies on agricultural products after June 30, 1945, unless funds therefor are appropriated by Congress.

Requires 15 days' notice, to growers, of establishment or reduction of maximum prices. Requires adjustments in fresh fruit or vegetable maximum prices, to allow for emergency factors. Modifies the procedure regarding protests, judicial review, stays in enforcement proceedings, suits for damages, etc.. Requires that the method now used for determining cotton parity, for CCC loans, be also used for price-control purposes. Increases the basic loan rate for cotton to $92\frac{1}{2}\%$ of parity.

May 19, 1944

Senators Bankhead and Turner introduced amendments to S. 1764. Prints of the amendments.

May 30, 1944

Senate Committee on Banking and Currency reported S. 1764 with amendments. Senate Report No. 104 of the bill as reported.

May 31, 1944

Senate Report 104 discussed.

June 2, 1944

Rep. Special Committee on Banking and Currency reported S. 1764 with amendments to the House Committee on Banking and Currency. Prints of the bill as introduced. (Congressional Record)

June 3, 1944

House Committee on Banking and Currency reported S. 1764 with amendments. House Report 1011. Prints of the bill as reported.

June 5, 1944

House Rules Committee reported to House, that the bill be considered as S. 1764. House Report 1011.

Senate Committee on Banking and Currency.

INDEX AND SUMMARY OF HISTORY ON S. 1764

March 9, 1944

S. 1764 was introduced by Senator Wagner and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced.

June 7, 1944

H. R. 4376 was introduced by Rep. Spence and was referred to the House Committee on Banking and Currency. (Similar bill). Print of the bill as introduced.

March 15, 1944

Hearings: Senate, S. 1764.

April 28, 1944

Senator Bankhead proposed an amendment to S. 1764. Print of the amendment.

May 3, 1944

Senator Johnson proposed an amendment to S. 1764. Print of the amendment.

May 8, 1944

Senator Murray proposed an amendment to S. 1764. Print of the amendment.

May 9, 1944

Senator Bankhead proposed amendments to S. 1764. Prints of the amendments.

May 10, 1944

Senator McClellan proposed an amendment to S. 1764. Print of the amendment.

May 11, 1944

Senator Wherry proposed amendments to S. 1764. Prints of the amendments.

May 19, 1944

Senators Bankhead and Wagner proposed amendments to S. 1764. Prints of the amendments.

May 30, 1944

Senate Committee on Banking and Currency reported S. 1764 with amendments. Senate Report 922. Print of the bill as reported.

May 31, 1944

Senate Report 922 discussed.

June 2, 1944

Rep. Spence introduced H. R. 4941 which was referred to the House Committee on Banking and Currency. Print of the bill as introduced. (Companion bill).

June 3, 1944

House Committee on Banking and Currency reported H. R. 4941 without amendment. House Report 1593. Print of the bill as reported.

June 5, 1944

House Rules Committee reported H. Res. 582 for the consideration of H. R. 4941. House Report 1601.

Senate began debate on S. 1764.

June 5, 1944 Amendments to S. 1764 proposed by Senators Chandler, George, Maloney, Stewart, Thomas, Weeks, and Willis. Prints of the amendments.

June 6, 1944 Senate continued debate on S. 1764.
Amendments to S. 1764 proposed by Senators Brooks and Thomas. Prints of the amendments.

June 7, 1944 Senate continued debate on S. 1764.
House began debate on H. R. 4941.
Senator Bankhead proposed amendments to S. 1764. Prints of the amendments.

June 8, 1944 Senate continued debate on S. 1764. Senator Taft proposed an amendment on S. 1764. Print of the amendment.
House continued debate on H. R. 4941. Remarks of Representatives Wolcott and McCormack.

June 9, 1944 Senate debate concluded on S. 1764. Passed Senate with amendments. Print of S. 1764 as passed by the Senate.
House continued debate on H. R. 4941. Remarks of Representatives Monroney, Sauthoff, Andresen, Jenkins, LeCompte and Outland.

June 10, 1944 House continued debate on H. R. 4941. Remarks of Representatives Smith, Rowan, Wolverton, Thomas, and Barden.

June 12, 1944 House continued debate on H. R. 4941. Remarks of Representatives Jennings, Dirksen, Smith, McMurray, and Cochran.

June 13, 1944 House continued debate on H. R. 4941. Remarks of Representatives Miller, Johnson, Rizley, Ellender, Shafer, and Spence.

June 14, 1944 House debate concluded. House vacated action on H. R. 4941 and substituted its language in lieu of S. 1764. Remarks of Rep. Hartley. House Conferees appointed. Print of S. 1764 with the amendment of the House.

June 15, 1944 Senate Conferees appointed.

June 20, 1944 Both Houses received the Conference Report. House Report 1698. Remarks of Representatives Weiss and May.

June 21, 1944 Both Houses agreed to the Conference Report.

June 30, 1944 Approved. Public Law 383. Statement by The President.

S. 1764

IN THE SENATE OF THE UNITED STATES

MARCH 9 (legislative day, FEBRUARY 7), 1944

Mr. WAGNER introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 (b) of the Emergency Price Control Act of
4 1942, as amended by the Act of October 2, 1942, is hereby
5 amended by striking out "June 30, 1944" and substituting
6 "June 30, 1945".

7 SEC. 2. Section 6 of the Act of October 2, 1942, is
8 hereby amended by striking out "June 30, 1944" and sub-
9 stituting "June 30, 1945".

A BILL

To amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

By Mr. WAGNER

MARCH 9 (legislative day, FEBRUARY 7), 1944
Read twice and referred to the Committee on
Banking and Currency

H. R. 4376

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1944

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To extend the period of operation of the Emergency Price Control Act of 1942 and of the Act of October 2, 1942, entitled "An Act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes".

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That subsection (b) of section 1 of the Emergency Price
4 Control Act of 1942, as amended (U. S. C., 1940 edition,
5 Supp. II, title 50, sec. 901 (b)), is hereby amended by
6 striking out "June 30, 1944" and inserting in lieu thereof
7 "June 30, 1945".

8 SEC. 2. Section 6 of the Act of October 2, 1942, en-
9 titled "An Act to amend the Emergency Price Control Act
10 of 1942, to aid in preventing inflation, and for other pur-
11 poses", as amended (U. S. C., 1940 edition, Supp. II, title
12 50, sec. 966), is hereby amended by striking out "June
13 30, 1944" and inserting in lieu thereof "June 30, 1945".

78TH CONGRESS
2^D Session

H. R. 4376

A BILL

To extend the period of operation of the Emergency Price Control Act of 1942 and of the Act of October 2, 1942, entitled "An Act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes".

By **Mr. SPENCE**

MARCH 9, 1944

Referred to the Committee on Banking and Currency

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

APRIL 28 (legislative day, APRIL 12), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following new section:

1 SEC. . Section 3 of such Act of October 2, 1942, is
2 amended by adding at the end thereof the following new
3 paragraph:

4 “Any maximum price established or maintained under
5 authority of this Act or otherwise for any textile product
6 processed or manufactured in whole or substantial part from
7 cotton shall be not less for any specific textile item than the

1 sum of the following: (1) The cost of the cotton involved,
2 plus the cost of delivery of such cotton to the point of proc-
3 essing or manufacturing, as determined by the War Food
4 Administrator, (2) the total current cost of whatever nature
5 incident to processing or manufacturing and marketing such
6 item, computed at a uniform figure that will cover the costs
7 of any manufacturer or processor among the manufacturers or
8 processors of at least 90 per centum by volume of such item,
9 and (3) a reasonable profit on such item, in addition to the
10 costs computed as provided in clauses (1) and (2). The
11 maximum price established for any textile item under this
12 Act, shall be adjusted to the extent necessary to conform with
13 the requirements of this paragraph within sixty days after the
14 date of its enactment. For the purposes of this paragraph,
15 the cost of any cotton shall be deemed to be not less than
16 the lowest maximum price which could be established for
17 such cotton under authority of this Act; except that for the
18 sixty-day period beginning one hundred and twenty days
19 after the date of enactment of this paragraph, and for each
20 subsequent sixty-day period, if the actual current market
21 value of such cotton at the beginning of such period is lower
22 than such lowest maximum price, the cost of such cotton
23 during such sixty-day period shall be deemed to be the actual
24 current market value at the beginning of such period, and

- 1 whenever a change is made in such cost of cotton a corre-
- 2 sponding change shall be made in the maximum price for
- 3 each specific textile item."

78TH CONGRESS
2^D Session

S. 1764

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729 Seventy-seventh Congress).

APRIL 28 (legislative day, APRIL 12), 1944
Referred to the Committee on Banking and Currency
and ordered to be printed

Mr. DOWNEY. A bill of rather minor importance was reported by the Civil Service Committee several days ago by the distinguished senior Senator from Tennessee [Mr. McKellar]. Because of certain aspects which were not thoroughly understood by the committee, the committee has asked me to request unanimous consent that the bill be withdrawn from the calendar and recommitted to the committee for further consideration.

Mr. WHITE. Very well.

The VICE PRESIDENT. Without objection, the bill is withdrawn from the calendar and recommitted to the Committee on Civil Service.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (S. 461) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended, which was ordered to lie on the table and to be printed.

AMENDMENT OF EMERGENCY PRICE CONTROL ACT—AMENDMENT

Mr. BANKHEAD submitted an amendment intended to be proposed by him to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 78th Cong.), which was referred to the Committee on Banking and Currency and ordered to be printed.

IMPROVEMENT OF BEAVER AND MAHONING RIVERS, PENNSYLVANIA AND OHIO—AMENDMENT

Mr. BURTON submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

APPROPRIATIONS FOR THE LEGISLATIVE AND JUDICIAL BRANCHES—AMENDMENT

Mr. HOLMAN submitted an amendment intended to be proposed by him to the bill (H. R. 4414) making appropriations for the legislative branch and for the judiciary for the fiscal year ending June 30, 1945, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, line 10, after the first semicolon, insert the following: "for payment of compensation in lieu of leave of absence to employees and former employees, or in the case of those who have died or become incompetent since June 30, 1932, to their legal representatives, for leave of absence earned during the fiscal year 1932 which has not been taken and for which they have not otherwise been compensated, such payment to be at a rate equal to the rate of compensation of the employee during the time in which such leave was earned."

COMMITTEE SERVICE

On motion of Mr. WHITE, and by unanimous consent, it was

Ordered, That the Senator from Iowa [Mr. Wilson] be excused from further service on the Committee on Post Offices and Post Roads and that he be assigned to service on

the Committee on Agriculture and Forestry; and

That the Senator from Oregon [Mr. Corbin] be assigned to service on the following committees: Commerce, Indian Affairs, Irrigation and Reclamation, the Library, and Post Offices and Post Roads.

AMERICA CAN DO BETTER—ADDRESS BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD an address entitled "America Can Do Better," delivered by him before the Ohio Federation of Republican Women at Columbus, Ohio, April 21, 1944, which appears in the Appendix.]

POLISH CONSTITUTION DAY—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him for May 3, Poland's national holiday, the anniversary of the signing of the Polish Constitution on May 3, 1791, which appears in the Appendix.]

PRESENTATION OF GOLD MEDAL AWARD TO MME. CHIANG KAI-SHEK BY NEW YORK SOUTHERN SOCIETY

[Mr. GEORGE asked and obtained leave to have printed in the RECORD excerpts from the record of the fifty-eighth annual dinner of the New York Southern Society, at the Waldorf-Astoria Hotel, New York City, on December 3, 1943, and the annual meeting of the society at the University Club, New York City, on April 16, 1943, at which a gold medal was presented to Mme. Chiang Kai-shek, which appear in the Appendix.]

MONTGOMERY WARD'S REPLY TO THE PRESIDENT

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD Montgomery Ward's reply to the President of the United States, which will appear hereafter in the Appendix.]

COMPULSORY SICKNESS INSURANCE—EDITORIAL FROM CHRISTIAN SCIENCE MONITOR

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Sauce for the Goose," discussing the question of compulsory sickness insurance, published in the Christian Science Monitor of April 14, 1944, which appears in the Appendix.]

AMERICA AT WAR ON THE FARM FRONT—ARTICLE BY SELDEN MENEFEE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "America at War," by Selden Menefee, having to do with the farm situation, written and published in the Washington Post, which appears in the Appendix.]

STATEMENT BY VINCENTE LOMBARDO TOLEDANO ON AIMS OF LATIN NATIONS

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article published in the Washington Times-Herald of April 25, 1944, containing a statement by Vincente Lombardo Toledano, made to the International Labor Organization in session at Philadelphia, dealing with the aims of Latin nations, which appears in the Appendix.]

COMMONWEALTH CLUB OF CALIFORNIA BALLOT ON INTERNATIONAL RELATIONS

[Mr. HATCH asked and obtained leave to have printed in the RECORD the result of Commonwealth Club of California ballot on international relations, which appears in the Appendix.]

INTER-AMERICAN HIGHWAY—ARTICLE BY PICO CORTES

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article in regard to the Inter-American Highway, written by Pico Cortes and published in the Naples Record, Ontario County, N. Y., of April 19, 1944, which appears in the Appendix.]

HISTORICAL DOCUMENTS IN SELIGMAN MEMORIAL LIBRARY

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement regarding historical documents available at the Seligman Memorial Library, Columbia University, which appears in the Appendix.]

IMPORTANCE OF INFANTRY—ADDRESS BY BRIGADIER GENERAL WILBUR

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Brig. Gen. William H. Wilbur at the annual meeting of the American Society of Newspaper Editors held at the Statler Hotel, Washington, D. C., on April 22, 1944, which appears in the Appendix.]

SGT. CHARLES "COMMANDO" KELLY

Mr. DAVIS. Mr. President, Monday, April 24, and Tuesday, April 25, 1944, were memorable days in the history of the city of Pittsburgh and the State of Pennsylvania, for on the former date Sgt. Charles E. "Commando" Kelly, the one-man army, came home from the wars, and the latter date, designated as Commando Kelly Day, was marked by a community-wide celebration in the city of Pittsburgh.

The daring exploits of "Commando" Kelly at the Salerno beachhead in Italy are well known. For his courage and bravery in that action Sergeant Kelly was awarded the Congressional Medal of Honor—1 of 15 living men who have received that coveted medal during the present war.

The account of "Commando" Kelly's heroism—although he would not call it that—is best told in his own words. I therefore ask unanimous consent to include in the RECORD as a part of my remarks excerpts from an article which appeared in the Pittsburgh Post-Gazette of April 25, which recounts in the sergeant's own words the events and actions for which he was cited.

The VICE PRESIDENT. Without objection, the excerpts will be printed in the RECORD.

The excerpts are as follows:

Sergeant Kelly began his story with the landing of the Thirty-sixth Division on the Salerno Beach September 9.

"We had no artillery cover and the infantry pushed those boys in like nothing was in front of them. Those boys slipped out in front of tanks with automatic rifles and tried to stop them."

YANKS STOP THEM

"The Germans would come with their tanks and armored cars and our boys would lay waiting for them, then jump out and throw hand grenades. They stopped a lot of them, too. Those Germans were scared. I saw some of them jump out with their hands up and some of them actually shot themselves before they'd be captured."

"We sent out patrols and finally found where the Germans actually were. It was 22 miles away."

"So," went on the sergeant in the most matter-of-fact way imaginable, "we marched those 22 miles, and the next morning we at-

tacked the hill where the Germans were dug in.

"Somehow I seemed to get out in front—just sticking my neck out, I guess. We rushed the machine-gun nests and cleaned them out and reached the top of the hill. That night I went out and found a bivouac area where the Germans were gathered and came back and reported. So they sent me back again and I got back that time, too, with my report."

But the third time Kelly went back to check up on the German movements he and a group of men were cut off. They opened fire on the Germans with automatic rifles and the Germans began to drop.

GOES FOR AMMUNITION

And there in Kelly's story is revealed the temperature that wins congressional medals.

"I had a lot of fun watching them," he reported and he wasn't trying to be funny either.

"We were running out of ammunition but the boys decided to stay. Then finally we did run out of ammunition entirely and we had to withdraw to our company lines until we got more ammunition."

"The Germans attacked and we dropped them as they came. The German casualties were at least 8 to 1 of ours. But our ammunition got to running low again and I volunteered to get some."

"So I got it," is the way Kelly dismissed the whole thing and then jumped his story ahead to—

"The third time I went after ammunition I didn't get back. I got stuck."

Back at the ammunition dump Kelly and the men there were ordered to carry all the ammunition to a house nearby. The Germans were advancing. Then came some more of the Kelly idea of fun. "Everything was fine, I had a pair of good field glasses and could see the Germans a long way off. We all had a lot of fun. We had plenty of everything. I burned out four machine guns. Then I picked a bazooka and fired that awhile."

"Then I went outside and came on a 37-millimeter gun. I'd never fired one of those things before but all you have to do is ask yourself 'How does it go?' Then you just start pushing things and all of a sudden you touch something and off it goes."

GOES BACK TO HOUSE

Whatever it was that Kelly touched on that 37-millimeter antitank gun it stopped the Germans for a time. Apparently not wanting to miss any of his own peculiar idea of fun Kelly went back into the beleaguered house. That's when he got into the mortar shell tossing tournament that the whole country has been reading about.

"I found a lot of 60-millimeter mortar shells laying on the floor. I figured that if I could set one of them off it would at least scare the Germans. I started to tap it on the window sill and the pin fell out and I threw it."

"Well, those shells stopped them."

"How many mortar shells did you throw?" one of the newspapermen wanted to know.

"Oh, there must have been about 15 of them I imagine—and I kept on heaving them until I ran out."

"How far could you throw them?" was the next question.

"It was three stories up where I was and there was a 50-foot drop into a gully where the Germans were, so I guess I could get 'em across almost 50 yards."

"Any idea how much ammunition you shot away?" another newspaperman wanted to know.

"Well, I fired 3,000 rounds in an hour," returned the lad from Shawano Street. "I just kept pouring it out. I know I used up four cases of bullets in 4 or 5 hours there."

HE LEARNED THE HARD WAY

"Did you know anything about firearms before you went into the service?" was another question.

"I had very little experience," said Kelly, earnestly. "What I know I picked up in the Army—and most of it after I got into action."

"How many different types of weapons did you use in the 48 hours you were penned up in that house?" another interviewer wanted to know.

"I fired every weapon the Infantry uses," said Kelly: "Browning automatics, light machine guns, water-cooled machine guns, bazookas, and that 37-millimeter gun I told you about."

"You don't have to know anything about them," he assured his listeners reassuringly. "Just keep on pushing them around and they'll shoot."

"But the ruined house was becoming too hot for the handful of doughboys left, and they decided to get out. A couple of patrols failed to get through."

Kelly volunteered to stick and cover the withdrawal of his detail.

"I stayed there fighting for a while until the fellows got away, and then I sneaked down in the cellar and out the back way and got out into the streets."

"I ran into a lot of fellows. You just didn't know who was who. I passed Germans that didn't pay any attention to me." Part of that night Kelly spent in a ditch.

"When I woke up there were Germans all around me—most of them wounded and calling for aqua. I kept on going and finally ran into another regiment that was withdrawing, and I went with them. Then I went back to my own regiment, and the first thing they sent me out on another patrol. Well, I came back from that one, too, and after that we went back to get reorganized."

Mr. DAVIS. Mr. President, that indeed is such action as we in America are proud to honor. But even more impressive to me was the sincere, humble attitude of this hero who, though he had been raised in one of the less palatial districts of the city, turned his back upon the luxury of a \$55-a-day suite in one of Pittsburgh's principal hotels with these words: "This home was good enough for my mom, Mr. Mayor, and it's good enough for me."

Thus this young man, a justly celebrated hero in the eyes of the Nation, went home with "mom"—"mom" who has given five other sons to the services of America; "mom" whose two other boys are ready and willing to join forces with their brothers in the common cause.

This hero of the hour showed himself to be a real American and a real man when he turned his back upon luxury and acclaim to return with his family to the old home on Shawano Street, where "mom" had given him and his brothers a proper start in the journey of life.

Mr. President, the real measure of any man is the love and attachment which he feels for his mother and his home. "Commando" Kelly has met that measure with full merit. There is no palace in all the world that can approach the splendor and the spirit which prevails in the Kelly home on Pittsburgh's north side today.

The fine example which this young man has set both at home and abroad has gladdened and made proud the heart

of every American. "Commando" Kelly has proved himself worthy of the homage of the Nation and the love of a splendid mother.

SALES OF WAR STAMPS AND BONDS BY SENATE AND HOUSE PAGES

Mr. STEWART. Mr. President, I wish to speak briefly about the activities of the pages of the Senate, as well as those of the other House, in the sale of War bonds and stamps. It may not be known to most of us that for some time these young men have been very active in this direction. As a matter of fact, they have already sold several thousands of dollars worth of War bonds and stamps. I refer particularly to the pages in this Chamber, whom we see before us, and who, we are told, have cooperated with the House pages, who have also sold a great many thousand dollars' worth of War bonds and stamps.

Mr. President, I wish to compliment the young men, and invite attention to the fact that in furtherance of their activities an informal dance has been planned. Perhaps most of us already have received an invitation to the dance which will be held at 8 o'clock on Monday evening next, in the new ballroom of the Shoreham Hotel. I understand that everyone is invited to attend. The purpose of the dance is to further the sale of War bonds and stamps. I am told there will be present an all-girl orchestra, and possibly music will be also supplied by the Air Corps Band. There will be booths at which War bonds and stamps will be on sale.

I think the activity is a patriotic one, and that the young men are entitled to a word of praise being said about them because of the work which they have been doing. I hope we will do all we can to back them up.

TERMINATION OF WAR CONTRACTS

Mr. VANDENBERG. Mr. President, I desire to make a statement and I shall be particularly obliged if I may have the attention of the able majority leader in connection with what I am about to say.

The Senate Military Affairs Committee this morning voted unanimously to report to the Senate next Monday Senate bill 1718, which deals with a formula for the swift and conclusive termination of war contracts and the clearance of war plants. This action was taken on a unanimous report from the Murray subcommittee headed by the able junior Senator from Montana who has rendered yeoman service to this desperately important cause. The proposed legislation partially originates in the special committee of the Senate headed by the able Senator from Georgia [Mr. GEORGE], the Special Committee on Post-War Economic Planning, of which I am a member. It has the unanimous support of that committee; it has the united support of all the procurement departments of the Government; it has the support of Mr. Baruch, who has led in the consideration of this matter in behalf of the executive department; it now has the unanimous support of the Military Affairs Committee.

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 3 (legislative day, APRIL 12), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. JOHNSON of Colorado, to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: On page , line , insert the following:

1 Section 1 (b) of the Emergency Price Control Act of
2 1942 as amended by section 7 (a) of the Act of October
3 2, 1942, is hereby amended by striking out "June 30, 1944"
4 and substituting "June 30, 1945".

5 Section 1 (a) of said Act is hereby amended by add-
6 ing to the first sentence thereof the following: " , but it is
7 not the intention of Congress that this Act be used for the
8 purpose of profit control, as such".

1 Section 2 (a) of said Act is hereby amended by striking
2 the first word thereof and substituting in place thereof the
3 following: "When, and only when," and by striking from the
4 first sentence thereof the word "generally".

5 Section 2 (b) of said Act is hereby amended by striking
6 the first word thereof and inserting "When, and only when,"
7 and by striking from the second sentence the words "in his
8 judgment" and "generally". Preceding the last sentence
9 of this section shall be added: ": *Provided*, That the Admin-
10 istrator shall, upon enactment of this Act, cause to be made
11 and publicly announced in each defense-rental area, a com-
12 parison of rents fixed under rent ceilings with the rent levels
13 prevailing on April 1, 1940, and that when rents on the
14 maximum rent date are less than 5 per centum above the
15 April 1, 1940, level the Administrator shall within sixty
16 days after receipt of a petition for adjustment by any person
17 subject to or affected by said maximum rent regulation issue
18 and order adjusting the rents in said area to a level cur-
19 rently fair and equitable: *Provided further*, That the Admin-
20 istrator shall make an investigation semiannually into vacan-
21 cies in any defense-rental area and shall thereupon make
22 public his findings. Whenever in the course of the war pro-
23 gram the semiannual investigation of the Administrator into
24 rental conditions in any defense-rental area or portion thereof
25 indicates the availability of adequate rental housing accom-

1 modations is such as to eliminate speculative, unwarranted,
2 and abnormal increases in rents and prevent profiteering,
3 speculation, and other disruptive practices resulting from
4 abnormal market conditions caused by the national emer-
5 gency, the controls imposed upon rents by this Act shall be
6 abolished forthwith in such defense-rental area or portion
7 thereof by order of the Administrator”.

8 Following the last sentence of the section shall be added:
9 “The Administrator shall within sixty days after the
10 effective date of this section amend the rent regulation to
11 provide for local adjustment, where hardship is created or
12 where any injustice is being done or will be done to either
13 owner or occupant, including, among others: (a) Where
14 the rent on the maximum rent date, due to peculiar circum-
15 stances affecting the housing accommodations, is substantially
16 higher or lower than the rent generally prevailing for com-
17 parable housing accommodations; (b) where there has been
18 since the maximum rent date a substantial rise in taxes or
19 other maintenance or operating costs or expenses, includ-
20 ing maintenance expenses which have been deferred be-
21 cause of shortages of labor or materials or other war condi-
22 tions; (c) where petition is made for the determination of
23 a maximum rent prior to occupancy of housing accommoda-
24 tions first rented after the maximum rent date; and (d)

1 where by joint petition of landlord and tenant it is shown
2 that the maximum rent is unjust or inequitable.”

3 Section 203 of said Act is hereby amended by adding the
4 following subsection, lettered (a), which shall precede the
5 present subsections (a), (b), and (c), which shall be
6 lettered (b), (c), and (d) :

7 “(a) At any time after the issuance of any regulation
8 or order establishing, changing, or amending any maximum
9 price for any commodity or establishing, changing, or
10 amending any requirement for or related to any such maxi-
11 mum price, any person subject to any provision of such
12 regulation or order may, in accordance with procedural
13 regulations to be prescribed by the Administrator, file a
14 request for adjustment or amendment of such regulation or
15 order in whole or in part to obtain relief from inequities or
16 hardship resulting from such order or regulation and directly
17 affecting the person filing such request. Within a reasonable
18 time, and in any event not more than thirty days after the
19 filing of such request, the Administrator shall grant or deny
20 such request, in whole or in part, and shall take the appro-
21 priate action required by his decision on such request.
22 Failure of the Administrator to act within the thirty days
23 shall be deemed a granting of the request. If any request
24 is denied, in whole or in part, the reasons for the denial and
25 the supporting facts shall be stated in writing and served

1 upon the person seeking relief. The provisions of any regu-
2 lation or order may be suspended, in whole or in part, and
3 any other modification made, to effectuate such individual
4 relief as the Administrator deems equitable. The filing of
5 such request and the denial thereof, in whole or in part, shall
6 not be a bar to any request subsequently filed with respect
7 to the same regulation or order as to which such request
8 was filed.”

9 Section 203 (a) of said Act is hereby amended by strik-
10 ing from the penultimate sentence thereof the words “in
11 whole or in part, notice such protest for hearing or provide
12 an opportunity to present further evidence in connection
13 therewith” and adding in place thereof the following: “, and
14 his failure so to act shall be deemed a granting of the pro-
15 test. During this period, the Administrator may grant or
16 deny such protest in whole or in part, notice such protest
17 for hearing, or provide an opportunity to present further
18 evidence in connection therewith, but no such action or
19 actions shall operate to extend the time within which the
20 Administrator must either grant or deny such protest”.

21 Section 204 (c) of said Act is hereby repealed. All
22 pending cases before the Emergency Court of Appeals
23 shall be forthwith transferred, without prejudice to the rights
24 of any party to such action, to the circuit court of appeals

1 of the circuit in which the plaintiff has its principal place of
2 business or to the Court of Appeals for the District of
3 Columbia, as the plaintiff may elect, for further proceedings.
4 All future proceedings under section 204 (a) shall likewise
5 be brought in such circuit court of appeals, or in the Court
6 of Appeals for the District of Columbia, as the plaintiff
7 may elect.

8 Subsections (a) and (d) of section 204 of said Act are
9 hereby amended by striking from the first sentence of each
10 subsection the words "Emergency Court of Appeals" and
11 substituting therefor the words "circuit court of appeals".
12 Subsection (d) of said section 204 is hereby amended by
13 striking the last two sentences thereof. The word "ex-
14 clusive" in the fourth sentence of section 204 (a) is hereby
15 stricken.

16 Section 204 (a) of said Act is hereby amended by
17 adding a new sentence to follow the second sentence there-
18 of, as follows: "This transcript shall be filed with the clerk
19 as promptly as practicable and in no event later than twenty
20 days after the service of the complaint upon the Adminis-
21 trator: *Provided*, That if a motion to dismiss the complaint
22 is filed by the Administrator, such transcript shall be filed
23 in no event later than fifteen days after service upon the Ad-
24 ministrator of the order disposing of such motion."

25 Section 205 (e) of said Act is hereby amended by add-

1 ing to the second sentence the following: "But the continued
2 payment or receipt of rent as between the same landlord and
3 tenant for the same housing accommodations shall be con-
4 sidered a single transaction."

5 Section 2 (h) of said Act is hereby amended to read
6 as follows: "The powers granted in this section shall not be
7 used or made to operate to compel changes in the business
8 practices, cost practices or methods, or means or aids to
9 distribution, established in any industry, except to correct
10 circumvention or evasion of any regulation, order, price
11 schedule, or requirement under this Act. In the event that
12 any regulation or order shall require changes in the business
13 practices, cost practices or methods, or means or aids to dis-
14 tribution, the Administrator, in any proceeding in which
15 the validity of such regulation or order is challenged, shall
16 have the burden of establishing affirmatively the necessity for
17 the regulation or order to prevent circumvention or evasion.
18 Nothing in this Act shall be construed as authorizing the
19 Administrator to issue any regulation or order which does not
20 allow all sellers to compete freely in all commodities available
21 for sale. Any rule, regulation, directive, order, or highest-
22 price-line limitation heretofore made, issued, or promulgated,
23 inconsistent with the provisions of this Act, as amended, is
24 hereby declared discontinued and of no further effect."

25 Section 2 (g) of said Act is hereby amended to read

1 as follows: "Regulations, orders, and requirements under
2 this Act may contain such provisions as are reasonably
3 necessary to prevent the circumvention or evasion thereof,
4 but may not restrict the right of recovery of possession of
5 housing accommodations where the conduct of the occupant
6 is contrary to law, obnoxious to other occupants, or damaging
7 to or destructive of the premises. Nothing in this Act shall
8 be construed to abridge the jurisdiction of State and local
9 courts to determine such issues."

10 Section 202 (a) of said Act is hereby amended to read
11 as follows: "The Administrator is authorized to make such
12 studies and investigations and to obtain such information as
13 may be necessary and proper to assist him in prescribing any
14 regulation or order under this Act, or in the administration
15 and enforcement of this Act and regulations, orders, and
16 price schedules thereunder."

17 Section 2 (c) of said Act is hereby amended by adding
18 to the first sentence thereof the following: "": *Provided*, That
19 nothing in this Act shall be construed to authorize any classi-
20 fication or differentiation in the maximum price or prices
21 which may be fixed for any commodity or commodities among
22 competing sellers of the same or similar products".

23 Section 205 of said Act is hereby amended by adding
24 a new subsection as follows:

25 "(f) It shall be an adequate defense to any suit or action

1 brought under subsections (a), (e), or (f) (2) of this
2 section if the defendant proves that the violation of the regu-
3 lation, order, or price schedule prescribing a maximum price
4 or maximum prices was neither willful nor the result of
5 failure to take practicable precautions against the occurrence
6 of the violation.”

7 Section 2 (a) of said Act is hereby amended by striking
8 out the fifth, eighth, and ninth sentences thereof, and sub-
9 stituting therefor the following: “The Administrator shall
10 from time to time make available to the committee concerned
11 such information as may be necessary to enable it to act
12 effectively in accordance with this section. At least three
13 weeks prior to the proposed date of issuance or amendment
14 of any regulation or order under this section, the Administra-
15 tor shall submit to the appropriate committee a statement of
16 the regulation, order, or amendment which he proposes to
17 issue, or a statement of the reasons which he believes war-
18 rant the issuance of a regulation, order or amendment. After
19 the receipt of the statement from the Administrator, the
20 committee shall by majority vote, either in meeting or
21 obtained by mail, submit to the Administrator its detailed
22 recommendations. No regulations, order, or amendment
23 thereto shall be issued prior to the receipt of a recommenda-
24 tion from the appropriate committee, or before the lapse
25 of two weeks following the submission of the statement to

1 the committee. Within ten days after the issuance of any
2 regulation, order or amendment the Administrator shall for-
3 ward to the committee a report indicating whether the
4 recommendations of the committee, if any were made, were
5 followed, or if they were not followed, a statement of the
6 reasons why each of the recommendations not so followed
7 was deemed inappropriate by the Administrator, together
8 with all economic data, and the sources thereof, upon which
9 his determination was based."

10 Section 2 (a) of said Act is hereby amended by adding
11 to the sentence thereof providing for the appointment of
12 industry advisory committees the following: ", providing
13 that representatives of recognized trade associations of the
14 industry shall be named as members of the committee if
15 the majority of the members of the committee as appointed
16 by the Administrator at any time so request".

17 The first sentence of section 203 (a) of said Act is here-
18 by amended by adding after the words "any person" the
19 words "or authorized representatives".

20 Section 2 of said Act is amended by adding the follow-
21 ing: "Any power or authority conferred by this Act shall
22 be exercised, either by the President or through any depart-
23 ment, agency, or officer, only through formal written orders,
24 directives, or regulations which shall be promptly published
25 in the Federal Register, but shall not otherwise be subject

1 to the provisions of the Federal Register Act (44 U. S. C.
2 secs. 301-314).”

3 Section 2 (e) of the said Act is hereby repealed.

AMENDMENTS

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

MAY 3 (legislative day, APRIL 12), 1944
Referred to the Committee on Banking and Currency
and ordered to be printed

LONDON, ENGLAND, April 12, 1944.

Senator DAVID I. WALSH,
United States Senate,

Washington, D. C.

DEAR SIR: As an American citizen caught here in this country since July 1939, I have been much interested in the cause of the Poles, who, as you realize, have suffered as a nation in many ways from this war, probably more than any of the Allied Nations so far, having borne the brunt of Hitler's first full-force attack in Europe.

For some months I have been working personally to help in every way in the tragic situation of the deportee (both Polish and those from the Baltic states) who were taken on a few hours' notice in 1939 by the Soviet Government from their homes and dumped in various isolated districts of vast Russia.

I appeal to you and others of our legislative body on behalf of these suffering peoples now stranded within the territories of one of our most powerful allies. I understand that the present administration has set up with certain of our allies an organization to deal with relief and rehabilitation work in Allied territories as they become liberated. And this organization is known as U. N. R. R. A. I also understand our consulate departments are now under instructions to give help to Allied refugees. Yet I know of no provision so far made by the administration for relief to these Polish and Baltic states subjects in their tragic need now located in Russia.

The enclosed reprints all written by people with access to authentic sources of information describe to some extent the sufferings of these people. I myself am the author of one of the letters published by the Manchester Guardian which is a newspaper of the highest standing in England. I ask you this question. Is it not within the power of the Members of our legislative body to appoint a committee of inquiry to investigate why nothing has been done by our many relief organizations, including the American Red Cross and those newly set up to provide for the relief of those people in Russia whose sufferings are one of the byproducts of this terrible war? Even though the difficulties of transportation are great in Russia, it is certainly practicable to deliver relief materials if war materials are being delivered. As you will note from my published letter it is definitely practicable to get relief to individuals among these people in small packages.

Hoping that you will agree with me that this is a cause deserving of large-scale and prompt relief by our relief agencies and that you will bring this subject into publicity among your colleagues with the idea of arousing their interest and action.

I am,

Sincerely yours,

ELEANOR R. NALLE.

United States address: Hazelhurst Farm,
Somerset post office, Virginia.

[From the Manchester Guardian of January
15, 1944]

POLES IN RUSSIA

TO THE EDITOR OF THE MANCHESTER GUARDIAN.
SIR: May I be permitted to express my views as an American on the subject of the tragic situation of the enforced exiles from Poland and the Baltic States in Russia?

From personal interviews with evacuees from Russia's vast isolated districts I know that the sufferings of this group of roughly over 600,000 Polish subjects and over 150,000 Estonians, Latvians, and Lithuanians are not propaganda reports but cold facts. The report that Russian children are also suffering from lack of proper food, clothing, and shelter makes the situation all the more worthy of organized relief on a large scale, and right now before it is too late. Naturally my countrymen, if they fully realized this situation, would ask, "If war materials are

going to Russia via Archangel and Tehran, why cannot relief materials, food, clothing, and medical supplies be going via the same routes for the specific purpose of relieving the condition of these exiles and the Russian children?"

Learning on unquestionable authority that the Polish Red Cross in Tehran has a list of individual names and addresses of approximately 200,000 Polish subjects in Russia, it seems logical to suggest that some system be organized on a large scale to send individual packages of food, clothes, etc., to these exiles. The Society of Friends, together with the American Red Cross, might undertake this work, with headquarters at Tehran. The writer considers this method under the conditions would be the only practicable and effective way of dealing with this problem. The public would be interested to know that there is now no international organization whatsoever in Russia for distribution of relief supplies.

Surely our Russian brothers in arms, so industrious in their work and so incredibly brave and persevering in their battles, will cooperate with us, their western allies, in this matter of humanitarian work within their own country.

Yours, etc.,

ELEANOR RITCHIE NALLIE,

Member American National Red Cross.

LONDON, W. 1, January 9.

RESTORATION OF STANDARD TIME—RESOLUTION BY KANSAS GRANGES

MR. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the members of Hawkeye Grange, No. 1050, McPherson County; Highland Grange, No. 1790, and Macon Grange, No. 1794, Harvey County, Kans., urging that standard time be restored. The farmers of the country never have believed in the change to war time; it interferes seriously with many farming operations and with farm life and living. And for myself I fail to see the advantages that were claimed would result from this dislocation.

There being no objection, the resolution was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

NEWTON, KANS., April 21, 1944.

The Honorable Senator CAPPER,

Washington, D. C.

DEAR SIR: We, the members of the Hawkeye Grange, No. 1050, in McPherson County; the Highland Grange, No. 1790, and the Macon Grange, No. 1794, in Harvey County, comprising 294 members, at a meeting of the Pomona Grange, voted to kindly ask you to make every effort to revert back to standard time as the war time is very inconvenient for agriculture.

Thanking you kindly, we are
Respectfully,

C. A. TINSLEY, Master.

LILLIAN TANGEMAN, Secretary.

PERMANENT UNIVERSAL MILITARY SERVICE—RESOLUTIONS FROM KANSAS

MR. CAPPER. Mr. President, I have received a letter embodying resolutions approved by representatives of nearly every college in Kansas, at a post-war conference held in Lawrence, Kans., April 17 and 18, 1943, urging that consideration and adoption of permanent universal military service by Congress be postponed until after the war.

It seems to me that there is considerable merit in such a postponement. As

pointed out in an accompanying statement from Dean Paul B. Lawson, college of liberal arts and sciences at the University of Kansas, it is impossible to know what our future military needs will be until we are able to obtain some sort of picture of the post-war world.

Moreover, a program dealing with universal military service will receive better and more sensible consideration after we are through with the emotional stresses and strains of a nation at war.

I agree with these educators also that the returned servicemen should have a say in what kind of a military establishment the United States is to have in peacetime, and, obviously, they can have little if any influence on such legislation while they are overseas in the armed forces. I ask unanimous consent to have printed in the RECORD as part of my remarks the resolutions and statement from Dean Lawson, which I send to the desk.

There being no objection, the letter embodying resolutions was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF KANSAS,

Lawrence, Kans., April 21, 1944.

Senator ARTHUR CAPPER,

United States Senate,

Washington, D. C.

MY DEAR SENATOR CAPPER: At a conference on post-war college problems, held at the University of Kansas on April 17 and 18, and to which practically every college in the State sent its key men as representatives, the following resolution was adopted:

"Resolved, That it is the sense of this conference that no action on any plan for universal military training in peacetime should be taken by the Congress of the United States until after the cessation of hostilities.

"Resolved further, That the above resolution be transmitted to the Senators and the Representatives from the State of Kansas."

I was instructed by the conference to transmit this resolution to you with the explanation that the resolution is not to be construed in any way as opposing universal military training. The conference, however, opposed immediate action by the Congress on this question for the following reasons:

1. It is impossible to know what our future military needs will be until the war has ended and until the peace terms give us a clearer picture of post-war world conditions.

2. The wisest provisions for such a radical change in American life as universal military service in peacetime cannot be worked out in a judicious manner under the emotional stresses and strains of a nation at war.

3. There are a number of ways in which a universal military training program can be set up. Some plans might be seriously detrimental both to students and schools, and others need not be a handicap to either. All of these ways should be carefully studied before any one of them is enacted into law.

4. The men in the armed forces should have the opportunity to make their contribution to the thinking on this subject, and we cannot see that there is any need to hurry a decision on such a major question before their return from overseas.

I believe this resolution represents the considered thought of a very large majority, if not all, of the administrators of our Kansas colleges. I am very sure this group would be deeply grateful to you for your careful consideration of the question, and I personally want to thank you for the attention which I know you will give it.

Sincerely yours,

PAUL B. LAWSON, Dean.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 1885. A bill for the relief of Oscar Griggs (with accompanying papers); to the Committee on Claims.

By Mr. WALSH of Massachusetts:

S. 1886. A bill to provide for the reimbursement of the town of Watertown, Mass., for the loss of taxes on certain property in such town acquired by the United States for use for military purposes; to the Committee on Claims.

By Mr. CLARK of Missouri:

S. 1887. A bill to provide for emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Commerce.

By Mr. LANGER:

S. 1888. A bill to authorize suits for benefits claimed to be payable under laws administered by the Veterans' Administration, and for other purposes; to the Committee on Finance.

S. 1889. A bill to provide for use and delivery for irrigation purposes of waters stored at Fort Peck Dam, Mont.; to the Committee on Irrigation and Reclamation.

By Mr. GILLETTE:

S. J. Res. 128. Joint resolution relating to the employment of counsel to the subcommittee of the Committee on Agriculture and Forestry of the Senate investigating certain matters; to the Committee on the Judiciary.

By Mr. BARKLEY:

S. J. Res. 129. Joint resolution to provide for the reappointment of Harvey N. Davis and Arthur H. Compton as members of the Board of Regents of the Smithsonian Institution; to the Committee on the Library.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 1268. An act for the relief of the estate of Ida Londinsky;

H. R. 1919. An act for the relief of Vannie Butler;

H. R. 2605. An act for the relief of Charles W. Kirby;

H. R. 2674. An act for the relief of Adolphus M. Holman;

H. R. 3033. An act for the relief of Tressie Spring and Mrs. Hazel Stutte;

H. R. 3464. An act for the relief of Ralph W. Cooley;

H. R. 3695. An act for the relief of the estate of Thomas Shea, deceased;

H. R. 3753. An act for the relief of the legal guardian of Virginia McMillan, a minor, and Howard McMillan;

H. R. 3929. An act for the relief of Katherine Scherer;

H. R. 3976. An act for the relief of Charles L. Kee; and

H. R. 4525. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy; to the Committee on Claims.

H. R. 1475. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; ordered to be placed on the calendar.

H. R. 2085. An act to provide for the disposition of tribal funds of the Minnesota Chippewa Tribe of Indians; to the Committee on Indian Affairs.

H. R. 2224. An act to extend certain benefits of the Canal Zone Retirement Act of March 2, 1931, as amended, to certain employees covered by the Civil Service Retirement Act of May 29, 1930, as amended; and

H. R. 4307. An act to amend the Canal Zone Code; to the Committee on Inter-oceanic Canals.

H. R. 2782. An act to grant Government employees who are members of certain military units leaves of absence for periods of active service; to the Committee on Civil Service.

H. R. 3688. An act to change the name of "watchman" in the Postal Service to that of "post-office guard";

H. R. 3998. An act authorizing payments of rewards to postal employees for inventions;

H. R. 4680. An act to amend an act to grant increases in compensation to substitute employees in the Postal Service, and for other purposes, Public, No. 266, Seventy-eighth Congress, chapter 134, second session (H. R. 2836), approved March 24, 1944; and

H. R. 4687. An act relating to issuance of postal notes; to the Committee on Post Offices and Post Roads.

H. R. 4054. An act to extend the times for commencing and completing the construction of a bridge across the Calcasieu River at or near Lake Charles, La.; to the Committee on Commerce.

H. R. 4108. An act relating to escapes of prisoners of war and interned enemy aliens;

H. R. 4109. An act to amend section 48 of the Criminal Code relating to receiving of stolen public property; and

H. R. 4348. An act to amend the Act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes"; to the Committee on the Judiciary.

H. R. 4519. An act to authorize the Administrator of Veterans' Affairs to furnish seeing-eye dogs for blind veterans; to the Committee on Finance.

H. R. 4623. An act to authorize the use of space in the old post-office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the Old Oregon Country held by the State for public display; to the Committee on Public Buildings and Grounds.

AMENDMENT RELATING TO CIVIL SERVICE RETIREMENT FUND

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (H. R. 4320) relating to the computation of interest on contributions to the civil-service retirement fund returned to employees upon their separation from the service, which was ordered to lie on the table and to be printed.

EXTENSION OF EMERGENCY PRICE CONTROL ACT—AMENDMENTS

Mr. JOHNSON of Colorado submitted sundry amendments intended to be proposed by him to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), which were severally referred to the Committee on Banking and Currency and ordered to be printed.

USE OF RAYON AND OTHER SYNTHETIC PRODUCTS AS SUBSTITUTES FOR COTTON AND WOOL

Mr. BANKHEAD submitted the following resolution (S. Res. 291), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study

and investigation with respect to the use of rayon and other synthetic products as substitutes for cotton and wool, including the extent of the use of such synthetic products and their effect upon the Nation's economy, the cost, utility, and economy of such synthetic products, the material and manpower required for their production and the effect of using such material and manpower for that purpose, the extent to which and terms upon which Government agencies have encouraged and financed the production of such synthetic products, and such matters related to such products as the committee deems appropriate. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable.

For the purpose of this study and investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STATUS OF RETIRED JUDGES

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 156) relating to the status of retired judges, which were, on page 2, line 9, to strike out "circuit" and insert "judicial"; on page 2, line 10, to strike out "circuit" where it appears the third time; on page 2, line 22, after "provided", to insert "or as provided by an act approved December 29, 1942, entitled 'An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own'"; on page 4, line 2, after "residence", to insert "at the time of his appointment"; on page 4, line 21, to strike out "circuit" where it appears the second time and insert "judicial"; and on page 4, lines 22 and 23, to strike out "circuit" and insert "judicial."

Mr. KILGORE. I move that the Senate concur in the House amendments which, I think, are very desirable.

The motion was agreed to.

THE PLIGHT OF AMERICA'S WHITE-COLLAR WORKERS—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "20,000,000 Forgotten Americans," written by Senator THOMAS of Utah, and published in the American magazine of May 1944, which appears in the Appendix.]

STATEMENT OF SENATOR TAFT IN VOTING FOR THE CONNALLY RESOLUTION

[Mr. TAFT asked and obtained leave to have printed in the RECORD a statement by him regarding his vote for the Connally resolution, together with a copy of the Connally resolution, which appear in the Appendix.]

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 8 (legislative day, APRIL 12), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. MURRAY (for himself, Mr. MEAD, Mr. CAPPER, and Mr. WHERRY) to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following:

1 No part of any funds appropriated for the enforcement
2 of this Act, or any other public funds, personnel, services, or
3 property shall be used to enforce, directly or indirectly, fur-
4 ther compliance by any processor, fabricator, wholesaler, or
5 retailer with, or to prosecute further a violation by any such
6 person of—

7 (1) any rule, regulation, or order issued for the

1 purpose of establishing a maximum price for any com-
2 modity intended for civilian consumption, or use, where
3 any court in any proceeding to which such processor,
4 fabricator, wholesaler, or retailer is a party finds (A)
5 that such rule, regulation, or order does not afford to
6 such processor, fabricator, wholesaler, or retailer a gen-
7 erally fair and equitable operating margin; (B) that the
8 provisions of such rule, regulation, or order operate to
9 compel changes in the business practices, cost practices
10 or methods, or means or aids to distribution, established
11 in the industry or trade of such processor, fabricator,
12 wholesaler, or retailer, unless such changes are necessary
13 to prevent circumvention or evasion of any regulation,
14 order, price schedule, or requirement; or (C) that such
15 rule, regulation, or order was issued without advising
16 and consulting with a standing advisory committee com-
17 posed (in addition to members appointed to represent
18 unorganized or otherwise unrepresented branches of any
19 affected industry) of representatives and alternates
20 chosen by, and assigned to, such committees upon peti-
21 tion of, the several trade associations of the industry
22 dealing in the commodity directly affected (including
23 processors, fabricators, wholesalers, and retailers) and
24 representatives of each branch of such industry; and
25 (2) any rule, regulation, or order relating to

rationing with respect to a commodity intended for civilian consumption or use, where any court in any proceeding brought to enforce compliance by such person with, or to prosecute a violation by such person of, any such rule, regulation, or order, finds (A) that provision has not been made for the distribution of such commodity through the usual and established channels of trade (including processors, fabricators, wholesalers, or retailers) in the same proportion (so far as practicable and recognizing changes in demand and in available facilities and the importance of preserving small enterprises) as that in which such commodity was distributed during the calendar year 1941, or (B) that such rule, regulation, or order was issued without advising and consulting with a standing advisory committee composed (in addition to members appointed to represent unorganized or otherwise unrepresented branches of any affected industry) of representatives and alternates chosen by, and assigned to such committees upon petition of, the several trade associations of the industry dealing in the commodity directly affected (including processors, fabricators, wholesalers, and retailers) and representative of each branch of such industry.

AMENDMENT

Intended to be proposed by Mr. MURRAY (for himself, Mr. MEAD, Mr. CARPER, and Mr. WHEAT) to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

MAY 8 (legislative day, APRIL 12), 1944
Referred to the Committee on Banking and Currency
and ordered to be printed

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 9, 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following new section:

1 SEC. . (a) Section 8 (a) (1) of such Act of October
2 2, 1942 (relating to loans upon cotton, corn, wheat, rice,
3 tobacco, and peanuts), is amended by striking out "at the rate
4 of 90 per centum of the parity price" and inserting in lieu
5 thereof "at the rate of 95 per centum of the parity price".
6 The amendment made by this subsection shall be applicable
7 with respect to crops harvested after December 31, 1943.
8 In the case of loans made under such section 8 upon any

1 of the 1944 crop of any commodity before the amendment
2 made by this subsection takes effect, the Commodity Credit
3 Corporation is authorized and directed to increase or pro-
4 vide for increasing the amount of such loans to the amount
5 of the loans which would have been made if the loan rate
6 specified in this subsection had been in effect at the time
7 the loans were made.

8 (b) Section 4 (a) of the Act entitled "An Act to
9 extend the life and increase the credit resources of the
10 Commodity Credit Corporation, and for other purposes",
11 approved July 1, 1941, as amended (relating to supporting
12 the prices of nonbasic agricultural commodities), is amended
13 by striking out "90 per centum" and inserting in lieu thereof
14 "95 per centum". The amendment made by this subsection
15 shall, irrespective of whether or not there is any further
16 public announcement under such section 4 (a), be appli-
17 cable with respect to any commodity with respect to which
18 a public announcement has heretofore been made under
19 such section 4 (a).

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

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AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following new section:

1 SEC. . Section 3 of such Act of October 2, 1942,
2 is amended by adding at the end thereof the following new
3 paragraph:

4 “Any maximum price established or maintained under
5 authority of this Act or otherwise for any textile product
6 processed or manufactured in whole or substantial part
7 from cotton shall be not less for any specific textile item than

1 the sum of the following: (1) The cost of the cotton in-
2 volved, plus the cost of delivery of such cotton to the point
3 of processing or manufacturing, as determined by the War
4 Food Administrator; (2) the total current cost of what-
5 ever nature incident to processing or manufacturing and
6 marketing such item, computed at a uniform figure that will
7 cover the costs of any manufacturer or processor among the
8 manufacturers or processors of at least 90 per centum by
9 volume of such item; and (3) a reasonable profit on such
10 item, in addition to the costs computed as provided in
11 clauses (1) and (2). The maximum price established
12 for any textile item under this Act shall be adjusted to
13 the extent necessary to conform with the requirements of
14 this paragraph within sixty days after the date of its
15 enactment. For the purposes of this paragraph, the cost
16 of any cotton shall be deemed to be not less than the
17 lowest maximum price which could be established for such
18 cotton under authority of this Act; except that for the sixty-
19 day period beginning one hundred and twenty days after the
20 date of enactment of this paragraph, and for each subsequent
21 sixty-day period, if the actual current market value of such
22 cotton at the beginning of such period is lower than such
23 lowest maximum price, the cost of such cotton during such
24 sixty-day period shall be deemed to be the actual current
25 market value at the beginning of such period, and when-

1 ever a change is made in such cost of cotton a corresponding
2 change shall be made in the maximum price for each specific
3 textile item. The method that is now used for the purposes
4 of loans under section 8 of this Act for determining the parity
5 price or its equivalent for seven-eighths inch Middling cotton
6 at the average location used in fixing the base loan rate for
7 cotton shall also be used for determining the parity price for
8 seven-eighths inch Middling cotton at such average location
9 for the purposes of this section; and any adjustments made
10 by the Secretary of Agriculture for grade, location, or sea-
11 sonal differentials for the purposes of this section shall be
12 made on the basis of the parity price so determined.”

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

MAY 9, 1944

Referred to the Committee on Banking and Currency
and ordered to be printed

Mr. McCARRAN. The report is now being made by me on behalf of the committee.

Mr. WHITE. Committee action was taken this morning?

Mr. McCARRAN. Yes; committee action was taken this morning.

Mr. WHITE. Is the Senator from Nevada asking for immediate consideration of the nomination?

Mr. McCARRAN. I am asking for nothing more than the opportunity to make a statement and to file the favorable report on the nomination for the Executive Calendar.

Mr. HATCH. Mr. President, will the Senator from Nevada yield to me?

Mr. McCARRAN. I yield.

Mr. HATCH. I think it should be said for the RECORD that at the committee meeting this morning the views advanced now by the able Senator from Nevada were thoroughly stated to Mr. Forsling, and in his answers to the questions propounded he expressed his own complete concurrence with the views which the Senator from Nevada has just set forth.

In addition to that, the Assistant Secretary of the Interior, Mr. Chapman, was also present and also expressed his concurrence with those views. Both Mr. Chapman and Mr. Forsling assured our committee they would carry out the general policy which the Senator from Nevada has explained now on the floor of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 1898. A bill to amend section 99 of the Judicial Code, as amended, so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak.; to the Committee on the Judiciary.

By Mr. WALSH of Massachusetts:

S. 1899. A bill for the relief of Alfred Files; and

S. 1900. A bill for the relief of Bertha L. Tatrault; to the Committee on Claims.

By Mr. RADCLIFFE:

S. 1901. A bill authorizing the appointment of an officer of the Sanitary Corps as Assistant to the Surgeon General of the Army with the rank of brigadier general; to the Committee on Military Affairs.

(Mr. HATCH (by request) introduced Senate bill 1902, which was referred to the Committee on Public Lands and Surveys, and appears under a separate heading.)

MINING OF COAL, PHOSPHATE, OIL, ETC., ON THE PUBLIC DOMAIN

Mr. HATCH. Mr. President, by request I introduce for appropriate reference a bill to repeal the third proviso of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," and so forth. I request that a letter from the Acting Secretary of the Interior relating to the matter be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, the bill will be appropriately referred and the letter will be printed in the RECORD.

The bill (S. 1902) to repeal the third proviso of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium

on the public domain," approved February 25, 1920 (41 Stat. 437, 438, 30 U. S. C., sec. 201), was read twice by its title and referred to the Committee on Public Lands and Surveys.

The letter presented by Mr. HATCH is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, D. C., April 26, 1944.
HON. HENRY A. WALLACE,
President of the Senate.

MY DEAR MR. VICE PRESIDENT: I enclose herewith the draft of a proposed bill to repeal the third proviso of section 2 of the act entitled "An Act to Promote the Mining of Coal, Phosphate, Oil, Oil Shale, Gas, and Sodium on the Public Domain," approved February 25, 1920 (41 Stat. 437, 438, 30 U. S. C., sec. 201).

The third proviso of section 2 provides that no lease of coal under the act shall be approved or issued until after notice of the proposed lease, or offering for lease, has been given for 30 days in a newspaper of general circulation in the county in which the lands or deposits are situated.

The provision requiring notice to be given by publication before any coal lease shall issue is unique in that no such requirement is made preliminary to the issuance of any other mineral lease, including coal leases in Alaska.

It has always been the custom of this Department to give what is considered to be adequate notice, usually 30 days, of the offer of lands for oil and gas lease by public auction or by sealed bids, but in some cases, for example, where the property to be leased was being depleted or taken by others through drainage, it has been found advisable to publish notice for less than 30 days in an effort to reduce the loss that was being suffered by the Government. At present there is an urgent demand for the production of coal which probably will continue for the duration of the war. Even thereafter conditions may arise that will require expeditious action sufficient to justify a shorter period of publication of notice of the offer of lands for coal lease.

The provision is unfair to permittees who acquire preference rights to leases by reason of discovery. They are required to pay a much higher rate of royalty on coal mined under their permits than they have to pay under leases and the requirement delays the issuance of leases, thereby imposing an unnecessary burden on the permittee. Besides, the fact that the permittee necessarily conducted mining operations on the land, in order to qualify as a lessee, is notice to adverse claimants of his claim to the land.

The apparent reason for the provision was to protect the interest of those who had initiated claims under sections 2, 3, and 4 of the coal act of March 3, 1873 (Rev. Stat. secs. 2348, 2349, 2350, 30 U. S. C., secs. 72, 73, 74). According to the provisions of that act, any qualified person who had opened or improved a coal mine on public land was permitted to present his claim to the Register of the proper land district within 60 days from the date of actual possession and the commencement of improvements on the land, by the filing of a declaratory statement therefor, and he was allowed 1 year from date of filing his claim to prove his right and pay for the land. After the passage of the leasing act of February 25, 1920, supra, this Department limited to 2 years following the date of the act the period in which such claims could be asserted. There is now no more reason for the requirement as to coal than there would be as to any other mineral subject to lease.

The proposed amendment, if adopted, would authorize the Secretary of the Interior to issue a lease for lands known to contain valuable deposits of coal under the same conditions as prevail with respect to other minerals subject to lease under the leasing laws, including the Alaska coal leasing act of Oc-

tober 20, 1914 (38 Stat. 741, 48 U. S. C., secs. 432-445, 446-452), as amended February 21, 1944 (Public Law 231, 78th Cong.).

It is requested that the proposed bill be submitted to the Senate for appropriate action.

The Bureau of the Budget has advised me that there is no objection to the presentation of this proposed legislation.

Sincerely yours,

ABE FORTAS,

Acting Secretary of the Interior.

HOUSE BILL REFERRED

The bill (H. R. 3604) authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes, was read twice by its title and referred to the Committee on Military Affairs.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENT: FALMOUTH HARBOR, MASS.

Mr. WEEKS submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

EXTENSION OF EMERGENCY PRICE CONTROL ACT—AMENDMENTS

Mr. BANKHEAD submitted two amendments intended to be proposed by him to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.), as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), which were referred to the Committee on Banking and Currency and ordered to be printed.

INVESTIGATION CONCERNING OIL- AND GAS-PRODUCING INDIAN LANDS

Mr. LANGER submitted the following resolution (S. Res. 292), which was referred to the Committee on Indian Affairs:

Resolved, That the Committee on Indian Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation with a view to determining (1) the names of the owners of all oil-well and gas-producing lands in the United States and Alaska, where such lands now are or formerly were designated as Indian lands, (2) what suits involving the ownership of any such lands or interests therein are now pending in the State and Federal courts, and (3) what measures have been adopted by agencies and representatives of the United States to ascertain its present or potential interests in such lands and what action has been taken to protect the interests of the United States in such lands. The committee shall report to the Senate at the earliest practicable date the results of its investigation together with such recommendations as it may deem desirable.

For the purpose of this study and investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to

report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

RED RIVER OF THE NORTH, MINN. AND N. DAK. (S. DOC. NO. 193)

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed as a Senate document, with illustrations, a letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on a review of reports on the Red River of the North, Minn. and N. Dak., with a view to flood control on the Sheyenne River.

The VICE PRESIDENT. Without objection, the report will be printed as a Senate document, with illustrations.

ADDRESS BY SENATOR BARKLEY AT THOMAS JEFFERSON DINNER, NEW YORK, N. Y.

[Mr. MEAD asked and obtained leave to have printed in the RECORD the address delivered by Senator BARKLEY at the Thomas Jefferson dinner, Commodore Hotel, New York City, on May 8, 1944, which appears in the Appendix.]

ADDRESS BY ROBERT E. HANNEGAN AT THOMAS JEFFERSON DINNER, NEW YORK, N. Y.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the address delivered by Hon. Robert E. Hannegan, chairman, Democratic National Committee, at the Thomas Jefferson dinner, Hotel Commodore, New York City, on May 8, 1944, which appears in the Appendix.]

ADDRESS BY SENATOR TRUMAN BEFORE MISSOURI DEMOCRATIC STATE CONVENTION

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered by Senator TRUMAN before the Democratic State convention at Jefferson City, Mo., on May 8, 1944, which appears in the Appendix.]

DIGEST OF LEGISLATION ENACTED BY SEVENTY-EIGHTH CONGRESS, FIRST SESSION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a digest of the legislation enacted by the Seventy-eighth Congress in its first session, beginning January 6, 1943, and ending December 21, 1943, which appears in the Appendix.]

THE CITIZEN AND HIS GOVERNMENT—ADDRESS BY GEORGE E. STRINGFELLOW

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an address entitled "The Citizen and His Government," delivered by Hon. George E. Stringfellow, of West Orange, N. J., before the Young Men's Business Club of New Orleans, on April 26, 1944, which appears in the Appendix.]

STATUS OF PRETHEOLOGICAL STUDENTS IN THE DRAFT

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "How Essential Is the Church?" from the Christian-Evangelist for May 10, 1944, which appears in the Appendix.]

EVIDENCE OF PROFITEERING—EDITORIAL FROM WILLIAMS COUNTY FARMER'S PRESS

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial en-

titled "More Evidence of Huge Profiteering," published in the Williams County (N. Dak.) Farmer's Press of March 30, 1944, which appears in the Appendix.]

PRELIMINARY REPORT ON LEND-LEASE AID MADE BY INVESTIGATIVE STAFF OF SENATE APPROPRIATIONS COMMITTEE

Mr. BUTLER. Mr. President, on Thursday of last week I was necessarily out of the city. In the CONGRESSIONAL RECORD of that day, on page 4081, will be found a statement by the Senator from Tennessee [Mr. McKELLAR], when presenting the report made by the investigators of the Senate Appropriations Committee with respect to lend-lease and other funds handled by the Committee on Appropriations. I have spoken to the Senator about the statement and I think he is perfectly willing that the impression given by him in it shall be corrected. In submitting the figures the Senator from Tennessee said:

It will be recalled that last winter quite a controversy arose following a visit to Central and South America by the distinguished Senator from Nebraska [Mr. BUTLER]. Upon his return it was claimed that \$6,000,000,000 or \$8,000,000,000 had been expended in South America.

Mr. President, I think everyone knows that I never made the statement that \$6,000,000,000 or \$8,000,000,000 had been so expended. In just one or two lines of the report which I filed on January 20, last, I referred to the documents which were submitted at that time as listing the expenditures, the commitments, and the extensions of credits covering a 3-year period. The figures as submitted and reported by the distinguished senior Senator from Tennessee the other day, instead of disproving the statement I made at the time, simply lend approval or proof to the fact that the report I made was correct.

The VICE PRESIDENT. Morning business is closed.

THE POLL TAX

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of House bill 7.

The VICE PRESIDENT. The bill will be reported by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. Does the motion of the Senator from Nevada preclude any debate on the motion?

The VICE PRESIDENT. It does during the morning hour.

Mr. CONNALLY. So that those of us who protest and deplore the disruption of the war effort by legislation of this kind cannot express any views on it in debate; is that correct?

The VICE PRESIDENT. The motion is not subject to debate during the morning hour.

The question is on agreeing to the motion of the Senator from Nevada. [Putting the question.]

The "ayes" appear to have it. The "ayes" have it.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. What was the ruling of the Chair?

The VICE PRESIDENT. The Chair rules that the vociferousness of the minority did not overcome their lack of numbers, so the motion is agreed to, and the bill is before the Senate, and is open to debate.

The Senate proceeded to consider the bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election of national officers.

The bill is as follows:

Be it enacted, etc., That the requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for President, Vice President, electors for President or Vice President, or the Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and a tax upon the right or privilege of voting for said national officers.

SEC. 2. It shall be unlawful for any State, municipality, or other government or governmental subdivision to prevent any person from voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, on the ground that such person has not paid a poll tax, and any such requirement shall be invalid and void insofar as it purports to disqualify any person otherwise qualified to vote in such primary or other election. No State, municipality, or other government or governmental subdivision shall levy a poll tax or any other tax on the right or privilege of voting in such primary or other election, and any such tax shall be invalid and void insofar as it purports to disqualify any person otherwise qualified from voting at such primary or other election.

SEC. 3. It shall be unlawful for any State, municipality, or other government or governmental subdivision to interfere with the manner of selecting persons for national office by requiring the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives and any such requirement shall be invalid and void.

SEC. 4. It shall be unlawful for any person, whether or not acting under the cover of authority of the laws of any State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives.

Mr. McCARRAN. Mr. President, I intend to indulge in but a brief explanation of this very contentious bill. This bill has been before the Congress for several years. It has been passed by the House of Representatives by a substantial vote. It has been reported to the Senate from the Committee on the Judiciary by a



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, WEDNESDAY, MAY 10, 1944

No. 83

Senate

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou eternal and triumphant Creator, whose holy purposes are beyond defeat, we come in the mystery of intercession seeking Thy righteous will and the enabling strength to do it. We confess that we have remembered and treasured the words of the Master's matchless prayer, "Thy kingdom come," but we have too often forgotten their flaming meaning. The great hope of the kingdom of love has grown dim as hatred and selfishness and man's inhumanity to man have desecrated the earth. Yet we are grateful that in darkest days prophetic souls have marched with Thee, keeping step to the distant music of Thy sure victory. Wherever hatred gives way to love, wherever prejudice is changed to understanding, wherever pain is soothed and ignorance banished, there Thy banners go and Thy truth is marching on.

In spite of mockers by our side, in spite of cunning foes without and fears within our own fickle hearts, by the shining light of Thy presence keep us steadfast on the march to that City of Light whose builder and maker is God. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 9, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1565) relating to the appointment of postmasters.

The message also announced that the House had passed a bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, in

which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution and they were signed by the Vice President:

H. R. 1565. An act relating to the appointment of postmasters;

H. R. 3261. An act to amend the act of April 29, 1943, to authorize the return to private ownership of Great Lakes vessels and vessels of 1,000 gross tons or less, and for other purposes; and

H. J. Res. 271. Joint resolution making an additional appropriation for the fiscal year 1944 for emergency maternity and infant care for wives of enlisted men in the armed forces.

RESOLUTION BY MISSISSIPPI VALLEY HISTORICAL ASSOCIATION

The VICE PRESIDENT laid before the Senate a resolution adopted by the Mississippi Valley Historical Association at its annual convention in St. Louis, Mo., favoring the enactment of legislation providing for the continuation of publication of the Territorial papers of the United States, which was referred to the Committee on the Library.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEWART, from the Committee on Claims:

H. R. 1220. A bill for the relief of Paul J. Campbell, the legal guardian of Paul M. Campbell, a minor; with amendments (Rept. No. 869);

H. R. 1984. A bill for the relief of Paul Barrere; without amendment (Rept. No. 870);

H. R. 3126. A bill for the relief of Mary Ellen Frakes, widow of Joseph A. Frakes; with an amendment (Rept. No. 871); and

H. R. 3136. A bill for the relief of Hamp Gossett Castle, Lois Juanita Gimble, Margaret Carrie Yarbrough, and Roy Martin Lyons; without amendment (Rept. No. 872).

By Mr. EASTLAND, from the Committee on Claims:

H. R. 1737. A bill for the relief of the Saunders Memorial Hospital; without amendment (Rept. No. 873).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1635. A bill for the relief of William E. Search, and to the legal guardian of Marion Search, Pauline Search, and Virginia Search; without amendment (Rept. No. 874);

H. R. 2408. A bill for the relief of Clarence E. Thompson and Mrs. Virginia Thompson; without amendment (Rept. No. 875);

H. R. 2507. A bill for the relief of Reese Flight Instruction, Inc.; without amendment (Rept. No. 876); and

H. R. 2689. A bill for the relief of Pete Paluck; without amendment (Rept. No. 877).

By Mr. TUNNELL, from the Committee on Claims:

H. R. 272. A bill for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud; with amendments (Rept. No. 878);

H. R. 1519. A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of the McCullough Coal Corporation against the United States; without amendment (Rept. No. 879); and

H. R. 2855. A bill for the relief of the estate of John Buby; without amendment (Rept. No. 880).

By Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs:

S. 1602. A bill authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind, a patent in fee to certain land; without amendment (Rept. No. 881).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. Con. Res. 43. Concurrent resolution relating to the invitation to the Congress of the United States to send a delegation to visit the British Parliament; without amendment (Rept. No. 868).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 1903. A bill for the relief of Steve Barbare; and

S. 1904. A bill for the relief of J. Fletcher Lankton and John N. Ziegele; to the Committee on Claims.

By Mr. HAYDEN:

S. 1905. A bill for the relief of Captolia Colvin; to the Committee on Claims.

S. 1906. A bill granting an increase of pension to Nellie L. Fickett; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

S. 1907. A bill declaring a temporary policy with respect to immigration to the United States; to the Committee on Immigration.

By Mr. JOHNSON of Colorado (for Mr. CLARK of Idaho):

S. 1908. A bill to amend section 304 of the Federal Food, Drug, and Cosmetic Act so as to permit the disposal to charitable institutions of certain articles of food condemned thereunder; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

EXTENSION OF EMERGENCY PRICE CONTROL ACT—AMENDMENT

Mr. McCLELLAN submitted an amendment intended to be proposed by him to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), which was referred to the Committee on Banking and Currency and ordered to be printed.

ADMINISTRATION FOREIGN POLICIES—ADDRESS BY SENATOR TAFT

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "Are Administration Foreign Policies Making More Difficult the Formation of a Post-war Peace Organization of Nations?" delivered by him at Cleveland, May 6, 1944, to the War Veterans' Republican Club of Ohio, together with two editorials commenting on the address, one from the Scripps-Howard papers and one from the Cleveland Plain Dealer, which appear in the Appendix.]

ST. LAWRENCE RIVER POWER AND SEAWAY DEVELOPMENT—ADDRESS BY SENATOR AIKEN

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address entitled "St. Lawrence River Power and Seaway Development" delivered by Senator AIKEN at Watertown, N. Y., May 5, 1944, which appears in the Appendix.]

HOME IN PALESTINE FOR THE JEWISH PEOPLE—ADDRESS BY SENATOR TUNNELL

[Mr. STEWART asked and obtained leave to have printed in the RECORD an address delivered by Senator TUNNELL before the seventh annual conference of the seaboard region, Mizrahi-Zionist Organization of America, Beth T. Filoh Synagogue, Baltimore, Md., April 30, 1944, which appears in the Appendix.]

WAR PROFITS AND LEGISLATIVE POLICY—ARTICLE BY SENATOR WALSH OF MASSACHUSETTS

[Mr. WALSH of Massachusetts asked and obtained leave to have printed in the RECORD an article entitled "War Profits and Legislative Policy," written by him and published in the University of Chicago Law Review for April 1944, which appears in the Appendix.]

BUSINESS APPROACH TO GOVERNMENT—ADDRESS BY CHESTER BOWLES

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD excerpts from an address entitled "Business Approach to Government," delivered at Yale University by Chester Bowles, Price Administrator, and published in the Washington Post of May 9, 1944, by the International Latex Corpora-

tion, of Dover, Del., which appear in the Appendix.]

RETURN TO THE FARMS OF SERVICE-MEN

[Mr. NYE asked and obtained leave to have printed in the RECORD a release entitled "Servicemen Want To Buy North Dakota Farms" prepared by the Greater North Dakota Association, which appears in the Appendix.]

THE GREAT LAKES-ST. LAWRENCE SEAWAY

[Mr. AIKEN asked and obtained leave to have printed in the RECORD two editorials from the Caledonian-Record of St. Johnsbury, Vt., regarding the Great Lakes-St. Lawrence seaway, which appear in the Appendix.]

RESERVED INTERNATIONAL RIGHTS—ARTICLE BY PHILIP M. BROWN

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an article entitled "Reserved International Rights" written by Philip Marshall Brown and reprinted from the American Journal of International Law for April 1944, which appears in the Appendix.]

AWARD OF PULITZER PRIZE TO HENRY J. HASKELL

Mr. CAPPER. Mr. President, Mr. Henry J. Haskell, of the Kansas City Star, one of America's ablest editors, recently received the Pulitzer award for outstanding editorial writing during the past year. The bestowal of this honor upon Mr. Haskell is universally approved by the newspapers of the United States. He is recognized by everyone as a truly great editor. I ask unanimous consent to have an announcement of this award printed as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STUDENT OF WORLD AFFAIRS

Mr. Haskell, editor of the Kansas City Star, as the son of a Congregational missionary assigned to Bulgaria, spent his boyhood in the Balkans and developed an interest in international affairs that has made him a two-time Pulitzer prize winner. He was born in Huntington, Ohio, in 1874 while his parents were in this country on leave.

In 1933 his paper received an award for a series of editorials on national and international topics, written by Mr. Haskell. His comments on the war and related international problems brought the present award.

Back in February 1898, a friend tipped Haskell, then a reporter on the Kansas City World, that there was to be an opening on the Star's telegraph desk. He took the job, just in time to get in on handling the story of the sinking of the *Maine*.

He became editor of the Star in 1928, and as an avocation has written two books on Roman history.

Prior to outbreak of the war he made annual trips to Europe to gather information on the international situation.

SEIZURE OF MONTGOMERY WARD PLANT

Mr. BUTLER. Mr. President, during yesterday's session the distinguished Senator from New Jersey [Mr. HAWKES] offered for the RECORD the editorial which appeared in the May 5 issue of the Chicago Daily News, written by Phil S. Hanna, in which he reviewed a statement that will appear in the forthcoming issue of the Railroad Workers Journal entitled "The Coming Boomerang." In view of

the fact that I had already wired the publisher of this paper for a copy of the editorial for the purpose of inserting it in the CONGRESSIONAL RECORD, the Senator from New Jersey decided that the Phil Hanna statement and the editorial by Maurice Franks, which Mr. Hanna reviews, ought to appear together. He therefore canceled the request he made yesterday, and I ask unanimous consent that each of these articles be printed in the body of the RECORD, immediately following my remarks.

While the newspapers today indicate that the Ward case may have been settled, I think that the views expressed by this very prominent leader in labor should become a part of the permanent RECORD in this case. Mr. Franks evidently believes that the Ward case is the most important labor dispute with which this country has been confronted to date. From the title of his editorial "The Coming Boomerang," he plainly indicates that a most dangerous precedent has been established by our President ordering the seizure of the Ward company without due process of law; a precedent which in time might possibly cause a seizure of labor unions by the Government.

I should like to quote one short paragraph from Mr. Frank's editorial:

No fair-minded person will question the right of our Government to seize any enterprise interfering with the prosecution of the war, providing that this action takes place with the due process of law. But when seizure of enterprise takes place without proper legal procedure, a very dangerous precedent is established.

Mr. President, I ask that the editorial by Mr. Franks may be printed in the RECORD following my remarks, and that immediately thereafter there may be printed the review of his editorial by Mr. Phil S. Hanna, appearing in the Chicago Daily News of May 5.

There being no objection, the editorial and review were ordered to be printed in the RECORD, as follows:

EVERYBODY'S BUSINESS—UNION-WARD CASE (By Phil S. Hanna)

Much has been heard from businessmen about the issues in the Montgomery Ward case, but comparatively little philosophizing has come from the publicists in union labor. Hence a glance at an editorial in the forthcoming issue of the Railroad Workers Journal entitled "The Coming Boomerang" may be of interest.

"No fair-minded person will question the right of our Government to seize any enterprise interfering with the prosecution of the war, provided the action takes place with due process of law," says the writer of the editorial, Maurice Franks, who, besides being editor of the journal, is also national business agent of the Railroad Yardmasters of North America, Inc. "But," he continues, "when seizure takes place without proper legal procedure, a very dangerous precedent is established."

UNIONS ALSO ENTERPRISES

"Unions today are also enterprises, some of them in the category of big business, controlling the actual destiny of our war effort. Therefore, it should be obvious to labor and its leaders that if private business, remotely connected to the war effort, can be taken over and managed by the Federal Government, the same can be so with unions."

78TH CONGRESS
2^D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 10 (legislative day, MAY 9), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the end of the bill insert the following new section:

1 SEC. 3. Section 3 of such Act of October 2, 1942, is
2 amended by adding after paragraph (2) thereof the follow-
3 ing new paragraph:

4 “(3) Any maximum price established or maintained
5 under authority of this Act or otherwise for any agricul-
6 tural commodity shall be not less than a price which will
7 provide a return to the producers of such commodity equal

1 to their cost of production with a fair and equitable margin
2 of profit. Any maximum price established or maintained
3 under authority of this Act or otherwise for any commodity
4 processed or manufactured in whole or substantial part from
5 any agricultural commodity shall be not less than a price
6 which will provide for the processors, manufacturers, and
7 distributors, of such commodity their costs plus a fair and
8 equitable margin of profit and will provide for the producers
9 of such agricultural commodity a return equal to their cost
10 of production with a fair and equitable margin of profit:
11 *Provided*, That whenever the actual current market price
12 of such agricultural commodity is less than a price which
13 will provide for the producers of such agricultural commodity
14 a return equal to their cost of production with a fair and
15 equitable margin of profit, the maximum price for any com-
16 modity processed or manufactured in whole or substantial
17 part from such agricultural commodity shall be reduced so
18 that it will provide for the processors, manufacturers, and
19 distributors of such processed or manufactured commodity
20 a return not in excess of the actual current market price of
21 the agricultural commodity plus a fair and equitable margin
22 for the other costs and profits of such processors, manufac-
23 turers, and distributors. In determining the return to pro-
24 ducers, processors, manufacturers, or distributors in the case
25 of any commodity for the purposes of this paragraph, there

- 1 may be included any amounts paid to them by any depart-
- 2 ment or agency of the Government with respect to the sale
- 3 or purchase of such commodity."

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

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S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 11 (legislative day, MAY 9), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. WHERRY to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: Following the end of the bill add the following sections:

1 SEC. 3. Section 2 of said Emergency Price Control Act,
2 as amended, is amended by adding the following as sub-
3 section (j) :

4 “(j) No agency, department, officer, or employee of
5 the Government, in the payment of sums authorized by this
6 or other Acts of Congress relating to the production or
7 sale of agricultural commodities as herein defined, or in

1 contracts for the purchase of any such commodities by the
2 Government or any department or agency thereof, or in
3 any allocation of materials or facilities, or in fixing quotas
4 for the production or sale of any such commodities, shall
5 impose any conditions or penalties not specifically author-
6 ized by the provisions of the Act or Acts under which such
7 sums are authorized, such contracts are made, materials and
8 facilities allocated, or quotas for the production or sale of
9 any such commodities are imposed. Any person aggrieved
10 by any action of any agency, department, officer, or em-
11 ployee of the Government contrary to the provisions hereof,
12 or by the failure to act of any such agency, department, of-
13 ficer, or employee, may petition the district court of the
14 district in which he resides or has his place of business for
15 an order or a declaratory judgment to determine whether
16 any such action or failure to act is in conformity with the
17 provisions hereof and otherwise lawful; and the court shall
18 have jurisdiction to grant appropriate relief. The provisions
19 of the Judicial Code as to monetary amount involved neces-
20 sary to give jurisdiction to a district court shall not be
21 applicable in any such case."

22 SEC. 4. Section 203 of said Emergency Price Control
23 Act of 1942 is amended to read as follows:

24 "SEC. 203. (a) At any time after the issuance of any
25 regulation, order, amendment, price schedule, or interpreta-

1 tions thereof, any person may, in accordance with regula-
2 tions to be prescribed by the Administrator, file a protest
3 specifically setting forth objections to any provision of any
4 such regulation, order, amendment, or price schedule and
5 affidavits or other written evidence in support of such objec-
6 tions. No protest shall be dismissed because of the absence
7 of direct damage to the person filing such protest. Within a
8 reasonable time after the filing of any protest under this
9 section, but in no event more than thirty days after such
10 filing, the Administrator shall notice such protest for public
11 hearing, which shall be held not less than fifteen nor more
12 than thirty days after the date of the issuance of such notice.
13 The principles of relevancy, materiality, probative force,
14 and substantiality as recognized in Federal judicial pro-
15 ceedings of an equitable nature shall govern proof, decision,
16 and administrative or judicial review of all questions of fact.
17 Every party shall have the right of cross-examination and
18 the submission of rebuttal evidence in open hearing, except
19 the Administrator may adopt procedures for the disposition,
20 with the consent of all parties to the proceeding, of con-
21 tested matters, in whole or in part, upon the submission of
22 sworn statements or written evidence. The taking of offi-
23 cial notice beyond the proof adduced in conformity with
24 this section shall be unlawful unless the parties shall both
25 be notified of the specific matters so noticed and, before the

1 decision becomes final, accorded an adequate opportunity
2 to show the contrary by evidence. Decisions in any pro-
3 ceedings under this section shall be based upon evidence
4 which on the whole record is competent, credible, and sub-
5 stantial. The transcript of testimony adduced and exhibits
6 admitted in conformity with this section, together with all
7 pleadings, exceptions, motions, requests, and papers filed
8 by the parties, other than separately presented briefs or
9 arguments of law, shall constitute the complete and exclusive
10 record and be made available to all parties.

11 “(b) Hearings held under this section shall proceed
12 without unnecessary delay. All issues of fact shall be
13 considered and determined exclusively upon the record re-
14 quired to be made in conformity with this section. Final
15 decisions and determinations of the Administrator shall be
16 entered not more than thirty days after the conclusion of
17 the reception of evidence, and shall be stated in writing and
18 accompanied both by a statement of reasons therefor and
19 by separate findings of fact and conclusions of law upon all
20 relevant issues raised by the parties upon the whole record.

21 “(c) All administrative findings, conclusions, opinions,
22 or statements of reasons, rules, or orders required to be made
23 in conformity with this section shall be served upon all
24 parties.

25 “(d) Failure on the part of the Administrator to notice

1 such protest for public hearing as required by this section,
2 or failure of the Administrator to render final decision within
3 the time stated in this section, shall be deemed to be a denial
4 of said protest and the protestant shall have the right to
5 judicial review as hereinafter provided in case of a denial
6 of such protest.”

7 SEC. 5. Section 204 of said Emergency Price Control
8 Act of 1942, as amended, is amended in the following
9 respects:

10 In subsection (a) the third sentence reading: “Such
11 transcript shall include a statement setting forth, so far as
12 practicable, the economic data and other facts of which the
13 Administrator has taken official notice”, is stricken out.

14 SEC. 6. Section 205 of said Emergency Price Control
15 Act of 1942, as amended, is amended in the following
16 respects:

17 (a) In subsection (c) the third sentence is amended
18 to read as follows:

19 “Except as provided in section 205 (f) (2), such
20 other proceedings shall be brought in the district in which
21 the defendant resides or maintains an office or place of busi-
22 ness, and process in such cases may be served in any dis-
23 trict wherein the defendant resides or transacts business or
24 wherever the defendant may be found.”

25 (b) In subparagraph (e) before the word “violates”

1 where it occurs in the first sentence and in the third sen-
2 tence, the word "willfully" is inserted; and in said first sen-
3 tence before the words "treble the amount", the words "an
4 amount not to exceed" are inserted.

5 (c) In subparagraph (f) (2) at the end of the first
6 sentence, insert the words: "specifying the provision or pro-
7 visions which are alleged to have been violated and the
8 nature of such violations".

9 (d) In subparagraph (f) (2), the third sentence is
10 amended by striking out the following: "or to the extent
11 that it authorizes such person to sell any commodity or
12 commodities with respect to which a regulation or order
13 issued under section 2, or a price schedule effective in ac-
14 cordance with the provisions of section 206, is applicable".

15 (e) Subparagraph (f) (2) is further amended by strik-
16 ing out the next to last sentence thereof.

17 SEC. 7. Section 205 of said Emergency Price Control
18 Act of 1942, as amended, is further amended by adding at
19 the end thereof subsection (g) reading as follows:

20 "(g) No person shall be penalized for any sale hereto-
21 fore or hereafter made of any agricultural commodity at a
22 price which at the time and place of such sale was no higher
23 than a price which would reflect to the producers of such
24 agricultural commodity the prices required by section 3 of
25 the Act to amend the Emergency Price Control Act of

1 1942, to aid in preventing inflation, and for other purposes
2 (Public Law 729, Seventy-seventh Congress, approved
3 October 2, 1942).”

4 SEC. 8. Section 302 of said Emergency Price Control
5 Act of 1942, as amended, is amended by adding at the end
6 thereof subsection (1) reading as follows:

7 “(1) The term ‘agricultural commodities’ means agri-
8 cultural, horticultural, viticultural and milk and the products
9 thereof, livestock and the products thereof, the products of
10 poultry and bee raising, the edible products of forestry, and
11 any and all products raised or produced on farms and com-
12 modities processed or manufactured in whole or substantial
13 part from any of said products.”

AMENDMENT

Intended to be proposed by Mr. WERRY to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

MAY 11 (legislative day, May 9), 1944
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78TH CONGRESS
2^D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 11 (legislative day, MAY 9), 1944

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AMENDMENT

Intended to be proposed by Mr. WHERRY to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following:

- 1 That the Emergency Price Control Act of 1942, title I,
- 2 be amended by inserting immediately after the sentence on
- 3 page 2, section 2 (a), which now provides "speculative
- 4 fluctuations, general increases or decreases in costs of pro-
- 5 duction, distribution, and transportation and general increases
- 6 or decreases in profits earned by sellers of the commodity
- 7 or commodities during and subsequent to the year ending

1 October 1, 1941." the following provision: "Maximum
2 prices shall neither be increased nor decreased at any one
3 trade level without due regard to all trade levels involved
4 in the production, handling, and distribution of any com-
5 modity, and provision made for a corresponding increase
6 or decrease for all such trade levels so as to maintain accepted
7 trade practices and price structures. Any price orders or
8 schedules now in force inconsistent with this provision shall
9 be discontinued and of no further effect.

78TH CONGRESS
2d Session

S. 1764

AMENDMENT

Intended to be proposed by Mr. WERRY to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

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izenship by military training as a part of their education.

We, therefore, again affirm the principle of universal military training and call upon the Congress to enact such an act into law.

V

We again demand that the Nazi, Fascist, and Japanese leaders responsible for this terrible war be brought to justice and punished for their atrocious crimes, the same as any other degraded criminal.

VI

We cordially and sincerely welcome the returning veterans of this war into the American Legion. We suggest that they be given places of responsibility and elected to offices in the local posts.

We pledge to them our sincere efforts and cooperation in securing employment upon their return, in helping them become adjusted again to civilian life, in securing their rehabilitation, and in securing for them all rights as war veterans from the community, State, and Nation.

VII

We do not understand how anyone claiming to be a Christian can refuse to bear arms in this war on conscientious or religious grounds. We, therefore, again affirm our stand on conscientious objectors.

VIII

We condemn strikes in essential war industry as sabotage and treason.

IX

We commend our congressional delegation for their activity in support of Senate bill 1767, commonly referred to as the "G. I. bill of rights," and urge their continued support to secure its early passage and enactment into law. We also desire a copy of this resolution to be sent to each member of the delegation.

Respectfully submitted.

ROBERT S. LEMON,
E. W. GRIGG.
W. L. MORSS.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

H. R. 3054. A bill to amend the Expediting Act; with amendments (Rept. No. 890).

By Mr. ROBERTSON, from the Committee on Claims:

S. 1093. A bill for the relief of Fermin Salas; with an amendment (Rept. No. 891);
S. 1763. A bill for the relief of the Square D Co.; without amendment (Rept. No. 892); and

S. 1849. A bill for the relief of Muskingum Watershed Conservancy District; without amendment (Rept. No. 893).

By Mr. ELLENDEER, from the Committee on Claims:

S. 1483. A bill for the relief of Marino Bello; with an amendment (Rept. No. 894); and

H. R. 3102. A bill for the relief of Mrs. Eva M. Delisle; with an amendment (Rept. No. 895).

By Mr. EASTLAND, from the Committee on Claims:

S. 1465. A bill for the relief of Dr. A. R. Adams; without amendment (Rept. No. 896);

S. 1471. A bill for the relief of Mrs. Eugene W. Randall; with an amendment (Rept. No. 897); and

H. R. 3537. A bill for the relief of Bessie Eason; without amendment (Rept. No. 898).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by

the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

S. 1930. A bill to provide for the replanning of blighted and other areas of the District of Columbia and the assembly, by purchase or condemnation, of real property in such areas and the sale or lease thereof for the redevelopment of such areas in accordance with said plans; and to provide for the organization of, procedure for, and the financing of such planning, acquisition, and sale or lease, and for other purposes; to the Committee on the District of Columbia.

By Mr. SHIPSTEAD:

S. 1931. A bill for the relief of Maj. L. J. H. Herwig, United States Army, retired; to the Committee on Military Affairs.

(Mr. O'MAHONEY introduced Senate bill 1932, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. O'MAHONEY (for himself and Mr. JOHNSON of Colorado):

S. 1933. A bill to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar; to the Committee on Finance.

By Mr. WEEKS (for himself and Mr. WALSH of Massachusetts):

S. 1934. A bill to provide for abandonment of the project authorized in the act of October 17, 1940, for a seaplane channel and basin in Boston Harbor, Mass.; to the Committee on Commerce.

By Mr. REYNOLDS:

S. 1935. A bill for the relief of Sigurdur Jonsson and Thorolína Thordardóttir (with accompanying papers); to the Committee on Claims.

S. 1936. A bill to amend the Selective Training and Service Act of 1940 by making it a criminal offense to possess unlawfully or to produce various certificates issued pursuant thereto; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. 1937. A bill for the relief of Bert Hunsicker; and

S. 1938. A bill for the relief of Orlando L. Hawkins (with accompanying papers); to the Committee on Claims.

By Mr. LUCAS:

S. 1939. A bill to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, with respect to the payment of dependents allowances in certain cases; to the Committee on Military Affairs.

By Mr. McCARRAN:

S. 1940. A bill to amend the First War Powers Act, 1941; to the Committee on the Judiciary.

(Mr. WHERRY (for himself, Mr. AIKEN, Mr. BALL, Mr. BREWSTER, Mr. BRIDGES, Mr. BROOKS, Mr. BUCK, Mr. BURTON, Mr. BUSHFIELD, Mr. BUTLER, Mr. CAPPER, Mr. CORDON, Mr. DAVIS, Mr. FERGUSON, Mr. GURNEY, Mr. HAWKES, Mr. JOHNSON of California, Mr. LANGER, Mr. MILLIKIN, Mr. MOORE, Mr. NYE, Mr. REED, Mr. REVERCOMB, Mr. ROBERTSON, Mr. SHIPSTEAD, Mr. TAFT, Mr. THOMAS of Idaho, Mr. TOBEY, Mr. VANDENBERG, Mr. WEEKS, Mr. WHITE, Mr. WILLIS, and Mr. WILSON) introduced Senate Joint Resolution 132, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

EXTENSION OF JURISDICTION TO SUPPRESS ANIMAL DISEASES

Mr. O'MAHONEY. Mr. President, in view of the passage last Wednesday of

the appropriation bill, the Department of Agriculture will have authority of law to engage in programs for the suppression of contagious and infectious diseases among livestock, but it has no authority over domestic animals. There has been an appalling increase of rabies in the United States during the past year, and in order to give the Bureau of Animal Industry the legal authority to cooperate with the States and with municipalities in the suppression of rabies I ask consent to introduce a bill to amend the act so as to extend the jurisdiction of the Department of Agriculture, which I ask to have referred to the Committee on Agriculture and Forestry.

It is appropriate to remark that a preliminary survey of 46 States for the year 1943 has indicated that 33 persons died as a result of rabies; that the deaths among livestock amounted to about 7,500. The Pasteur treatment, of course, reduces the fatalities among humans, but there is no care with respect to livestock. The matter is of such great importance that I hope the Committee on Agriculture and Forestry will give the matter its immediate attention.

There being no objection, the bill (S. 1932) to amend the act of May 29, 1884, as amended, the act of February 2, 1903, and the act of March 3, 1905, as amended, to include domestic animals within their provisions, was read twice by its title and referred to the Committee on Agriculture and Forestry.

ABOLITION OF POLL TAX BY CONSTITUTIONAL AMENDMENT

Mr. WHERRY. Mr. President, for myself and 32 other Senators I ask consent to introduce a joint resolution proposing an amendment to the Constitution of the United States relative to removal of the requirement for payment of poll tax, and I request that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 132) proposing an amendment to the Constitution of the United States relative to removal of the requirement for payment of poll tax, introduced by Mr. WHERRY (for himself and Mr. AIKEN, Mr. BALL, Mr. BREWSTER, Mr. BRIDGES, Mr. BROOKS, Mr. BUCK, Mr. BURTON, Mr. BUSHFIELD, Mr. BUTLER, Mr. CAPPER, Mr. CORDON, Mr. DAVIS, Mr. FERGUSON, Mr. GURNEY, Mr. HAWKES, Mr. JOHNSON of California, Mr. LANGER, Mr. MILLIKIN, Mr. MOORE, Mr. NYE, Mr. REED, Mr. REVERCOMB, Mr. ROBERTSON, Mr. SHIPSTEAD, Mr. TAFT, Mr. THOMAS of Idaho, Mr. TOBEY, Mr. VANDENBERG, Mr. WEEKS, Mr. WHITE, Mr. WILLIS, and Mr. WILSON) was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"The right of citizens of the United States to vote shall not be denied or abridged by

the United States or by any State by reason of failure to pay a poll tax.

"Congress shall have the power to enforce this article by appropriate legislation."

EXTENSION OF EMERGENCY PRICE CONTROL ACT—AMENDMENTS

Mr. WAGNER and Mr. BANKHEAD each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.), as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), which were referred to the Committee on Banking and Currency and ordered to be printed.

RIVER AND HARBOR FLOOD-CONTROL WORKS—AMENDMENT

Mr. NYE submitted an amendment intended to be proposed by him to the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. NYE to the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, viz: On page 12, after line 11, insert the following new paragraphs:

"The project for the Bald Hill Reservoir on the Shesenne River for flood control and other purposes in the Shesenne River Basin, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 193, Seventy-eighth Congress, second session, at an estimated cost of \$810,000.

"The projects for the construction of one reservoir on the Pembina River and one on the Tongue River for flood control and other purposes in the Pembina River Basin, N. Dak., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 194, Seventy-eighth Congress, second session, at an estimated cost of \$333,800.

"The project for the construction of a reservoir on the South Branch of Park River for flood control and other purposes in the Park River Basin, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 565, Seventy-eighth Congress, second session, at an estimated cost of \$358,610."

APPROPRIATIONS FOR THE INTERIOR DEPARTMENT—NOTICES OF MOTION TO SUSPEND THE RULE—AMENDMENTS

Mr. O'MAHONEY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, the following amendments, namely: At the proper place in the bill under the heading "Bureau of Mines," to insert the following: "Provided further, That in addition to the amount herein appropriated the Secretary of the Interior is hereby authorized to enter into contracts for additional work not exceeding a total of \$22,000,000 during the period covered by the aforesaid act, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter

made for the construction and operation of demonstration plants to produce synthetic liquid fuels shall be considered available for the purpose of discharging the obligations so created."

On page 50, after line 3, to insert the following:

"Expenses of tribal officers and other purposes, Shoshone and Arapaho Tribes, Wyoming (tribal funds): For the current fiscal year the Secretary of the Interior, or such official as may be designated by him, is hereby authorized to pay out of any joint tribal funds of the Shoshone and Arapaho Indians of the Wind River Reservation, Wyo., in the Treasury of the United States the following salaries and expenses:

"To the chairman, secretary, and interpreter of the Shoshone and Arapaho Joint General Council and members of the Shoshone and Arapaho Joint Business Committee, or other committees appointed by the Joint General Council, when engaged on joint business of the tribes, a sum of not to exceed \$8 per diem for attendance to cover salary and all expenses; to such official delegates of the Shoshone and Arapaho Tribes who may carry on the joint business of the tribes in Washington or Chicago a per diem of not to exceed \$10 in lieu of salary and expenses: *Provided*, That the rate of per diem shall be fixed in advance by the Joint General Council or by the Joint Business Committee if authorized by said Joint General Council: *Provided further*, That the official delegates of said tribes carrying on business in Washington or Chicago shall also receive the usual railroad and sleeping-car transportation to and from Washington or Chicago: *And provided further*, That the length of stay of the official delegates in Washington or Chicago shall be determined by the Commissioner of Indian Affairs. The Secretary or his designate is also authorized and directed to expend from said joint tribal funds of the Shoshone and Arapaho Indians with the consent of the Joint Business Committee, not exceeding \$1,500 per annum for pay of game and fish wardens to be appointed by the Joint Business Committee, for patrolling the lakes, streams, and hunting areas of the Wind River Reservation: *Provided*, That receipts derived from fishing and hunting licenses and permits and from fines shall be deposited into the Treasury of the United States to the credit of the Tribes pursuant to the provisions of the act of May 17, 1926 (44 Stat. 560): *Provided further*, That all the aforesaid pay and expenses for all purposes shall not exceed in the aggregate \$7,500 per annum."

Mr. O'MAHONEY also submitted two amendments intended to be proposed by him to House bill 4679, the Interior Department appropriation bill, fiscal year 1945, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

Mr. THOMAS of Oklahoma submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: On page 50, after line 19, insert the following:

"Fulfillment of Atoka Agreement with Choctaw-Chickasaw Nations of Indians:

"That, pursuant to the provisions of the treaty between the United States and the Choctaw-Chickasaw Nations of Indians, known as the Atoka Agreement, and the supplemental agreements thereafter made and the laws enacted by the Congress, the

Secretary of the Interior is hereby authorized and directed to enter into a contract on behalf of the United States for the purchase from the Choctaw and Chickasaw Nations of Indians in Oklahoma for all the present right, title, and interest of said Indians in the land and mineral deposits reserved from allotment in accordance with the provisions of section 53 of the act entitled "An act to ratify and confirm an agreement with the Choctaw and Chickasaw Tribes of Indians, and for other purposes," approved July 1, 1902. The Secretary shall cause such contract to be executed on behalf of said Indians by the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation, and shall then submit such contract to said Indians for their approval. If and when such contract has been approved by said Indians, the Secretary shall submit the contract to the Congress for its ratification: *Provided*, That the approval of such contract by the said Indians shall be through a special election called and held pursuant to rules and regulations to be promulgated by the said Secretary of the Interior: *And provided further*, That before the said rules and regulations are promulgated they must be submitted to and approved by both the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation. Such contract shall not be binding upon any of the parties thereto until it shall have been ratified by the Congress.

"Upon the approval of such contract by the Congress—

"(a) The amount of the purchase price fixed in such contract when appropriated shall be placed to the credit of the Choctaw and Chickasaw Nations of Indians on the books of the Treasury of the United States, and thereafter such proceeds shall be distributed to such Indians in pursuance with the terms and provisions of such contract and shall be exempted from attorney fees and other debt contracted prior to the passage and approval of this act; and

"(b) The Secretary shall cause a proper conveyance to be executed by the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation conveying all right, title, and interest of said Indians in such lands and mineral deposits to the United States, and thereupon all such right, title, and interest shall vest in the United States.

"The appropriation of such sum as may be necessary for making the payments to such Indians pursuant to section 2 (a) of this act is hereby authorized. There is also authorized to be appropriated the sum of \$20,000 to be expended under the direction of the Secretary of the Interior, to defray the expenses of negotiating the contract and holding of the election authorized by section 1 hereof, including the making of such appraisal or appraisals as may be deemed necessary.

"The land and mineral deposits when acquired hereunder shall become part of the public domain subject to the applicable public-land mining and mineral leasing laws. The coal deposits acquired hereunder may be leased in accordance with the provisions relating to coal of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended. The asphalt deposits acquired hereunder may be leased by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations prescribe, and in areas not exceeding 640 acres each. Leases for such asphalt deposits shall be conditioned upon the payment by the lessee of such royalty as may be fixed in the lease, not less than 25 cents per ton of 2,000 pounds of marketable production, and upon payment in advance of a rental of 25 cents per acre for the first calendar year or fraction thereof; 50 cents per acre for the second, third, fourth, and fifth years, respectively; and \$1 per acre per

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 19 (legislative day, MAY 9), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following new section:

1 SEC. . Section 3 of such Act of October 2, 1942, is
2 amended by adding at the end thereof the following new
3 paragraph:

4 “Any maximum price established or maintained under
5 authority of this Act or otherwise for any textile product
6 processed or manufactured in whole or substantial part from
7 cotton or cotton yarn shall be not less for any specific textile

1 item than the sum of the following: (1) The cost of the
2 cotton or yarn involved, plus the cost of delivery of such
3 cotton or yarn to the point of processing or manufacturing,
4 as determined by the War Food Administrator; (2) the
5 total current cost of whatever nature incident to processing
6 or manufacturing and marketing such item, computed at a
7 uniform figure that will cover the costs of any manufacturer
8 or processor among the manufacturers or processors of at least
9 90 per centum by volume of such item; and (3) a reasonable
10 profit on such item, in addition to the costs computed as pro-
11 vided in clauses (1) and (2). The maximum price estab-
12 lished for any textile item under this Act shall be adjusted
13 to the extent necessary to conform with the requirements of
14 this paragraph within sixty days after the date of its enact-
15 ment. For the purposes of this paragraph, the cost of any
16 cotton shall be deemed to be not less than the parity price
17 for such cotton (adjusted for grade, location, and seasonal
18 differentials) ; except that for the sixty-day period beginning
19 one hundred and twenty days after the date of enactment
20 of this paragraph, and for each subsequent sixty-day period,
21 if the actual current market value of such cotton at the be-
22 ginning of such period is lower than such parity price, the
23 cost of such cotton during such sixty-day period shall be
24 deemed to be the actual current market value at the be-
25 ginning of such period, and whenever a change is made in

1 such cost of cotton a corresponding change shall be made in
2 the maximum price for each specific textile item. The meth-
3 od that is now used for the purposes of loans under section 8
4 of this Act for determining the parity price or its equivalent
5 for seven-eighths inch Middling cotton at the average location
6 used in fixing the base loan rate for cotton shall also be used
7 for determining the parity price for seven-eighths inch
8 Middling cotton at such average location for the purposes of
9 this section; and any adjustments made by the Secretary of
10 Agriculture for grade, location, or seasonal differentials for
11 the purposes of this section shall be made on the basis of the
12 parity price so determined. For the purposes of this para-
13 graph, the terms 'textile product' and 'textile item' mean any
14 product or item manufactured or processed in whole or sub-
15 stantial part from cotton or cotton yarn by any manufacturer
16 or processor engaged in the manufacture or processing of such
17 product or article from cotton or cotton yarn."

S. 1764

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

May 19 (legislative day, May 9), 1944
Referred to the Committee on Banking and Currency
and ordered to be printed

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

MAY 19 (legislative day, MAY 9), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. WAGNER to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following new section:

1 SEC. . Section 4 of the Act of October 2, 1942, is
2 amended by adding at the end thereof the following new
3 paragraph:

4 "In any dispute between employees and carriers sub-
5 ject to the Railway Labor Act, as amended, as to changes
6 affecting wage or salary payments, the procedures of such
7 Act shall be followed for the purpose of bringing about a

1 settlement of such dispute. Any agency provided for by
2 such Act, as a prerequisite to effecting or recommending a
3 settlement of any such dispute, shall make a specific finding
4 and certification that the changes proposed by such settlement
5 or recommended settlement are consistent with such stand-
6 ards as may be then in effect, established by or pursuant to
7 law for the purpose of controlling inflationary tendencies.
8 Where such finding and certification is made by the National
9 Mediation Board, or by an emergency board established
10 under such Act, it shall be conclusive, and it shall be lawful
11 for the employees and carriers, by agreement, to put into
12 effect the changes proposed by the settlement or recom-
13 mended settlement with respect to which such finding
14 and certification was made.”

AMENDMENT

Intended to be proposed by Mr. WAGNER to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

MAY 19 (legislative day, MAY 9), 1944
Referred to the Committee on Banking and Currency
and ordered to be printed

EXTENDING PRICE CONTROL ACT AND STABILIZATION ACT

REPORT

OF THE

COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

THE BILL (S. 1764) TO AMEND THE EMERGENCY
PRICE CONTROL ACT OF 1942 (PUBLIC LAW 421,
SEVENTY-SEVENTH CONGRESS) AS
AMENDED BY THE ACT OF OCTOBER
2, 1942 (PUBLIC LAW 729, SEVENTY-
SEVENTH CONGRESS)



MAY 30, 1944.—Ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1944

EXTENDING PRICE CONTROL ACT AND STABILIZATION
ACT

MAY 30, 1944.—Ordered to be printed

MR. WAGNER, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 1764]

The Committee on Banking and Currency, to whom was referred the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

GENERAL STATEMENT

The purpose of this bill is to extend the effective period of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942. Unless extended, the provisions of these acts will expire on June 30, 1944, or such earlier date as may be prescribed by proclamation of the President or by concurrent resolution of the Congress. These acts provide for the control and stabilization of prices, rents, wages, and salaries.

The programs carried out under these acts affect the lives and daily activities of all of our people in a direct and substantial manner. They have been in effect long enough for the Government to have acquired a considerable amount of experience in their administration and for the public to have had a considerable amount of experience with their operation. Consequently, your committee has deemed it appropriate to inquire at length into the success of the present program and to consider carefully whether changes in the law should be made in connection with the extension of its life.

The committee has held extended hearings and has heard many witnesses, who represented interested departments and agencies of the Government and various private groups and organizations. It has

obtained much information concerning the past operation of the stabilization program, and its present administration, which are discussed later in this report. The witnesses who appeared before the committee, without exception, favored the continuation of this legislation. There were, however, material differences of opinion as to what amendments should be made in the law in connection with its extension.

Many amendments have been urged upon the committee. The committee has considered them carefully. Most of the amendments have as their objective the relief of alleged hardship or inequity under the price- and rent-control programs. In view of the generally high levels of prosperity prevailing among the various groups in our economy, it is apparent that cases of actual hardship must be the exception rather than the rule. The committee is anxious that everything that is practicable be done to alleviate hardships, even though they exist only in exceptional cases. However, proposals for that purpose must be weighed in the light of their administrative feasibility and their general effect upon the stabilization program, lest they result in hardships much greater than those sought to be relieved. Thus, proposals which would require general increases in the ceiling prices of commodities or in area rentals in order to relieve isolated cases of hardship would set in motion forces which would destroy the effectiveness of the stabilization program, since the increases thereby required would inevitably necessitate additional increases all along the line. On the other hand, proposals which seek to relieve hardships by requiring the consideration of the equities of every individual case might well impose an administrative task impossible of accomplishment.

The Congress is not faced with the abstract question of what are the best possible stabilization policies. It must be borne in mind that our whole economy is now geared to the existing program. This program embodies some policies concerning which a majority of this committee and a majority of both Houses of Congress have heretofore expressed their disapproval. It embodies some policies of which many members of this committee now disapprove. But it is accomplishing its primary objective and it is now closely interwoven with every phase of our economic life. Any change in the legislation which requires a fundamental change in the present program will have consequences which are far-reaching and perhaps dangerous. It is the opinion of the committee that the existing program should be continued in substantially its present form.

In view of the general agreement that it is desirable and necessary to continue the stabilization program, the questions with which the committee has been chiefly concerned are whether the legislation should now be extended for only 1 year or for a longer period, and in what respects, if any, it should be amended. The committee believes that the legislation upon which the stabilization program is based is generally satisfactory. The program has served and is serving this country well. It is holding in check powerful inflationary forces which, if uncontrolled, would be disastrous. A remarkable degree of stability has been attained without undue injury to any group. Compelling pressures have required and continue to require upward adjustments of prices and wages in particular cases. Such adjustments may be made under the present stabilization policies, and if

held within strict bounds do not have an unduly inflationary effect. However, any substantial relaxation of the program on any broad front will throw it out of balance and set in motion new inflationary forces which it is likely to be impossible to control. Experience has shown that prices cannot be controlled unless wages are stabilized. It is equally clear that it is futile to attempt to stabilize wages unless prices are controlled. On the whole, it appears to the committee that the policies which are now being followed provide as equitable a relationship between the different groups in our economy as it is practicable to attain.

In view of these considerations, the committee has felt obliged to reject most of the amendments presented to it. The committee does recommend some amendments, hereinafter discussed, which it believes will substantially aid in removing grounds for complaints against the administration of the program without impeding its operation.

Some of the members of the committee disagree with the action of the committee in recommending the amendment relating to maximum prices for cotton textiles, and are submitting minority views in this report with respect to that amendment.

The hearings on these measures have been so voluminous and so many witnesses have appeared that the record includes more than 1,600 pages of testimony, graphs, and other pertinent data. For the convenience of the Senate, the committee has caused to be attached a supplemental statement which will be found to abstract relevant material of assistance in understanding the background of such problems as rationing, wage and salary stabilization, rent control, and other phases of our wartime stabilization program. At appropriate points this statement includes illustrative graphs submitted by the Office of Price Administration in the course of its presentation.

TEXT OF REPORTED BILL

The bill, as reported by the committee is as follows:

That this Act may be cited as the "Stabilization Extension Act of 1944."

TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

TERMINATION DATE

SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1944," and substituting "December 31, 1945."

APPROPRIATION REQUIRED FOR SUBSIDIES

SEC. 102. Section 2 (e) of such Act is amended by adding at the end thereof the following new paragraph:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

UNAUTHORIZED CONDITIONS OR PENALTIES

SEC. 103. Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase

of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, Department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

ENFORCEMENT AUTHORIZATION

SEC. 104. Section 3 (e) of such Act is amended by striking out "(a) and (b)"

EXPENDITURES BY THE ADMINISTRATOR

SEC. 105. Section 201 (c) of such Act is amended to read as follows:

"(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

PROTEST PROCEDURE

SEC. 106. (a) The first sentence of section 203 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "Within a period of sixty days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within a period of sixty days after the effective date thereof specified in section 206), or within a period of sixty days after June 30, 1944, whichever is later, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections."

(b) Section 203 (c) of such Act is amended by inserting before the period at the end thereof a colon and the following: "*Provided, however,* That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection".

(c) Section 203 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the

Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

STAYS IN CRIMINAL PROCEEDINGS, AND SO FORTH

SEC. 107. Section 204 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Within five days after judgment in any criminal proceeding brought pursuant to section 205 (b) for the violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the district court for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant has been found to have violated. The district court shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection. After judgment in any criminal proceeding brought pursuant to subsection 205 (b), the district court shall stay the execution of its judgment for the violation of any provision of a regulation, order, or price schedule concerning which there is pending a protest properly filed by the defendant in accordance with the provisions of section 203, or any judicial proceeding instituted by the defendant in accordance with the provisions of this section, the stay to continue until the disposition of such protest, or judicial proceeding, and the expiration of the time allowed in this section for the taking of further proceedings with respect thereto. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any criminal proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

SUITS FOR DAMAGES

SEC. 108. (a) Subsection (e) of section 205 of such Act is amended to read as follows:

"(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one-year period. If

EXPLANATION OF REPORTED BILL

The first section of the bill contains a short title for the act.

TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT
OF 1942

TERMINATION DATE

Section 101 of the bill continues the effective period of the Emergency Price Control Act of 1942, as amended, from June 30, 1944, its present termination date, until December 31, 1945. The committee is of the opinion that the stabilization program will probably need to be continued for some time after the termination of hostilities in the present war. While no one can tell now how long this time should be, it may be said, speaking generally, that it will be until the supply of civilian goods and services gets to be in substantially normal balance with demand. Thus the committee's action in fixing a termination date of December 31, 1945, is not to be considered as an expression of an opinion by the committee that the stabilization program will not be necessary after that date. However, the committee believes that the Congress should have an opportunity to review the program again after the expiration of a reasonable period, and to decide in the light of the facts that then exist as to what should be done about its further continuance. The committee believes that an extension of 18 months would be reasonable under all the circumstances, and that providing a termination date at the end of the calendar year would make for convenience in many respects.

APPROPRIATION REQUIRED FOR SUBSIDIES

Section 102 of the bill amends section 2 (e) of the Emergency Price Control Act. The amendment provides that after June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose. This amendment does not prohibit the payment of subsidies, but it does provide that after the end of the approaching fiscal year subsidies shall not be paid except out of money appropriated by Congress for that purpose. Nearly all of the subsidies paid under the present program are paid from funds borrowed by Government corporations and not from appropriations made by Congress. It is the belief of the committee that, except from minerals, the authority to make subsidy payments contained in section 2 (e) was dependent on further appropriation by Congress, and the amendment is intended to carry out this view. The committee is of the opinion that a program which involves a known loss of \$1,500,000,000 a year should not be continued out of corporation funds without definite authority from and appropriation by Congress. The amendment allows a full year in which the present program may be continued, while next year's subsidy program is prepared for presentation to the Congress and its consideration by the Congress.

UNAUTHORIZED CONDITIONS OR PENALTIES

Section 103 of the bill adds a new subsection (k) to section 2 of the Emergency Price Control Act. This amendment prohibits agencies and officers of the Government, in the payment of sums authorized by acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of such commodities, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, from imposing any conditions or penalties not authorized by the acts under which the activities concerned are conducted or by lawful regulations issued under such acts. Any person aggrieved by the failure of any agency or officer of the Government to comply with the requirements of this amendment is authorized to petition the district court of the district in which he resides or has his place of business for an order or declaratory judgment to determine whether the requirements of the section are being complied with; and the court is authorized to grant appropriate relief. The provisions of the Judicial Code as to the monetary amount necessary to give jurisdiction to a district court are made inapplicable to cases arising under the amendment. The purpose of this amendment is to prevent the use of the powers of agencies and officers of the Government for the purpose of imposing unauthorized conditions or penalties. The attention of the committee has been directed to instances of the flagrant misuse of authority for the imposition of conditions or penalties totally unrelated to the purposes for which the authority was granted, as, for example, the withholding from a farmer of a supplemental gasoline ration because of his failure to participate in a program of the War Food Administration. In instances where such things do occur, this amendment will afford an opportunity to obtain relief from the courts.

ENFORCEMENT AUTHORIZATION

Section 104 of the bill makes a technical amendment in section 3 (e) of the Emergency Price Control Act. That section now provides that no action shall be taken by the Price Administrator with respect to any agricultural commodity without prior approval of the Secretary of Agriculture; except that the Administrator may, without such approval, take such action as may be necessary under section 202 and section 205 (a) and (b) to enforce compliance with regulations and orders. Thus, it is provided that the Administrator does not have to obtain the approval of the Secretary of Agriculture to institute proceedings for an injunction or criminal proceedings for enforcement purposes. The question has now arisen, however, as to whether enforcement action taken under section 205 (e), which is the treble-damage provision, and section 205 (f), which provides for suspension of licenses, requires approval of the Secretary of Agriculture. The committee is of the opinion that such approval should not be required in any such case, and this amendment will provide that any enforcement proceedings may be brought without approval of the Secretary.

EXPENDITURES BY THE ADMINISTRATOR

Section 105 of the bill amends section 201 (c) of the Price Control Act to provide specifically that the Administrator shall have authority to purchase commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations. The committee is of the opinion that this authority will be a substantial aid to effective enforcement. It is an authority which is possessed by other law-enforcement agencies of the Government.

PROTEST PROCEDURE

Section 106 (a) of the bill amends the first sentence of section 203 (a) of the Emergency Price Control Act, relating to the time within which protests against regulations may be filed. For reasons outlined earlier in this report, the committee was satisfied that it would be unwise to eliminate the present 60-day limitation upon the filing of protests. The committee was concerned, however, by the fact that in the early days of price control many people unfamiliar with the provisions of the act might have lost their right to challenge the basic validity of a regulation by excusable failures to file a protest within the statutory period. The committee therefore recommends that with respect to all regulations issued before July 1, 1944, a new period of 60 days from that date be provided for the filing of protests. This special provision for the filing of protests, together with the existing provision permitting the filing of protests based upon new grounds at any time, goes far toward meeting the complaint that the right to file protests has been unduly restricted, without sacrificing the stability in price control which the time limitation is designed to achieve.

Section 104 (b) of the bill amends section 203 (c) of the act, which deals with the procedure in consideration of protests. The amendment provides that in the case of any protest filed after September 1, 1944, the protest, upon the request of the protestant, shall be considered by a board of review consisting of one or more officials of the Office of Price Administration designated by the Administrator to act as a board for such purpose. The amendment also provides that the Administrator shall cause to be presented to the board such evidence as he deems appropriate in support of the protested regulation, and that the protestant shall be accorded an opportunity for oral argument before the board, as well as the opportunity of presenting written evidence. Finally, the proposed amendment provides that the protestant shall be informed of the recommendations of the board to the Administrator and, if the recommendations are rejected, of the reasons for such rejection.

This amendment is designed to assure to the protestant full consideration of the objections raised by his protest and yet to leave to the Administrator sufficient flexibility in working out the details of the procedure so as not to cripple the administration of the price-control program. The creation of an entirely independent board to consider protests, even though it were essentially advisory in nature, would lead to divided responsibility which would inevitably tend toward less efficient and less effective price control. For example, the granting of a protest frequently involves fundamental changes in a regulation or a whole group of related regulations which must be

formulated and administered by the various operating departments of the Office of Price Administration. In view of the present difficulties in recruiting personnel, it might well be impossible to staff adequately a separate board of review so as to duplicate even in small measure the knowledge and experience of the operating departments. In the light of these considerations it was the opinion of the committee that it would be unwise to require the establishment of a separate reviewing board, entirely divorced from the various operating departments. Instead, the Administrator is authorized to designate such members of his staff as are best qualified in his judgment to act as the board of review with respect to a particular protest, drawing upon the staff of the operating departments to the extent that seems appropriate in the particular case. The procedure does, however, assure to the protestant that responsibility for consideration of his protest will be centered in particular individuals who will be known to him and whose recommendations will be disclosed to him. This procedure should dispel the notion, whether justified or not, that some protests do not now receive the careful consideration of responsible officials of the Office of Price Administration.

The committee has also considered the question whether opportunity for full oral hearing should be required with respect to every protest. In this connection it was pointed out that the evidence in protest proceedings usually consists of complicated economic and financial data, which lends itself more easily to written rather than oral presentation, and that the requirement of oral hearing for the presentation of such evidence would consume a disproportionate amount of the time of the Administrator's staff without benefiting the protestants and would, in fact, unduly delay protest proceedings. Therefore, the amendment does not require oral presentation of evidence, but it does assure to the protestant an opportunity to present oral argument to the members of the board concerning the conclusions which should be drawn from the evidence submitted on the issues raised by the protest.

Because this amendment requires changes in the procedural regulations of the Office of Price Administration now outstanding with respect to protest procedure and in the operations of the protest procedure, the effectiveness of this amendment is postponed so as to apply only to protests filed after September 1, 1944. Of course, the members serving on a board of review will not be subject to the so-called business-experience provision of the Appropriations Act, unless, in some other capacity as members of the staff of the Office of Price Administration, they direct the formulation of price policy or maximum prices.

Section 104 (c) of the bill adds to section 203 of the act a new subsection (d), dealing specifically with unreasonable delays in the final disposition of protests. This amendment provides that in the event of such delay the protestant may apply to the Emergency Court of Appeals for a mandatory order requiring the Administrator to act within a time specified. In this respect, the provision restates the law as now applied by the Emergency Court of Appeals, but has the advantage of giving notice to protestants of their right to apply to the court for such an order. In addition, the amendment provides that if the Administrator does not act within the time specified by the court, the protest shall be deemed to be denied and a complaint may be filed in the Emergency Court of Appeals challenging the validity

of the provision of the regulation, order, or price schedule against which the protest was directed. The amendment avoids the difficulties inherent in any attempt to specify the exact period within which all protests must be disposed of.

STAYS IN CRIMINAL PROCEEDINGS, ETC.

Section 107 of the bill adds a new subsection (e) to section 204 of the Emergency Price Control Act. The committee heard considerable criticism of the exclusive jurisdiction provisions of the statute insofar as they prevent a defendant in criminal proceedings from challenging the provision of the regulation which he is charged with violating. It is true that the constitutionality of the exclusive jurisdiction provisions of the statute as applied to criminal proceedings has been upheld by the Supreme Court (*Yakus v. United States*). Nevertheless, it has seemed to the committee that the strictness of the procedural provisions as applied to criminal sanctions should be relaxed to the fullest extent consonant with effective administration and enforcement of the act.

With this purpose in mind, it is provided in this amendment that after judgment in criminal proceedings a defendant who has failed to file a timely protest to the provision which he has been found guilty of violating may apply to the district court for leave to file a complaint in the Emergency Court of Appeals, challenging the validity of the provision concerned. If the court finds that the defendant's application is made in good faith, and that there is a reasonable and substantial excuse for his failure to file a timely protest, the court is to grant the application and to stay execution of the judgment until after the defendant has exhausted the opportunity thus given to challenge the validity of the regulation. If the defendant is successful in either the Emergency Court of Appeals or the Supreme Court in his challenge to the validity of the regulation, the judgment in the criminal proceeding is to be vacated and the proceeding dismissed to the extent that they are based upon the invalidated provision of the regulation. It is also provided that if the defendant in a criminal proceeding has already pending a protest, or complaint in the Emergency Court of Appeals, attacking the validity of the provision of the regulation which he is found guilty of violating, the district court shall stay execution of judgment until final disposition of the protest or complaint, and shall vacate the judgment and dismiss the proceeding if the defendant is successful in his challenge to the validity of the regulation.

This amendment is not designed to change the basic theory of the statute that there is an unqualified obligation to comply with regulations unless and until they have been held invalid. As this committee indicated in its report accompanying the original act, and as the Supreme Court recognized in its decisions upholding the validity of the exclusive jurisdiction provisions of the statute, it is absolutely essential to effective price control that price regulations should be fully complied with even while litigation is pending as to their validity. To secure such compliance the Price Administrator must be able to enforce a price regulation effectively and without protracted delays, even though a protest or complaint as to it is outstanding. It is also essential that people should not be encouraged to gamble on the outcome of litigation by violating a regulation on the chance that it will

be held invalid in enforcement proceedings or that a subsequent holding of invalidity by the Emergency Court of Appeals will allow them to escape entirely the consequences of their violation.

In the proposed amendment, the committee has attempted to give adequate weight to the above considerations and yet to provide against the possibility that a defendant might be punished criminally for violating a regulation which, but for excusable failure on his part to file a timely protest, he might have successfully challenged in the Emergency Court of Appeals. In making provision for this unusual case, the committee has sought to preserve the essential pattern of the statute and to avoid insuperable obstacles in the way of effective enforcement. Therefore, the availability of the special remedy is limited to criminal proceedings; and, in order to prevent its use as a means of delaying the trial of such cases, it is provided that the application for special leave can be made only after judgment.

The wisdom of thus limiting the amendment becomes apparent when the enormous task of enforcing price and rent control is appreciated. We were informed, for example, that the number of enforcement proceedings instituted each month for price or rent violations has recently been averaging over 700. If in every one of these cases the validity of the regulations could be challenged, even though only to delay trial by contesting the regulation in the Emergency Court of Appeals, enforcement would break down completely, while the absorption of the operating staff in the resulting flood of litigation in that court would seriously interfere with effective administration. It also seems clear that if compliance is to be effectively secured while a case involving the validity of a regulation is pending, civil remedies, including the treble-damage provision, should not be nullified by a subsequent determination of invalidity of the regulation. It is, therefore, made explicit in the amendment that the pendency of a protest or a complaint is not to be grounds for delaying a civil proceeding, and also that a judgment of invalidity in the Emergency Court of Appeals is not to be grounds for relief from civil liabilities which have been incurred on account of violations before such determination of invalidity. If civil remedies were not thus left unimpaired by the amendment, it would undermine the fundamental proposition that price and rent regulations must be obeyed even while being litigated, thus jeopardizing one of the principal benefits of the exclusive jurisdiction provisions of the statute.

SUITS FOR DAMAGES

Section 108 of the bill amends subsection (e) of section 205 of the Emergency Price Control Act. This subsection now provides for bringing actions for damages against sellers of commodities or landlords on account of overcharges in violation of the applicable maximum price or maximum rent. In the case of the sale of commodities for use or consumption other than in the course of trade or business, which is generally the ordinary sale at retail, and in the case of rents, the action may be brought only by the person who buys the commodity or pays the rent. In other cases, the buyer is not entitled to bring suit and suit may be brought by the Price Administrator on behalf of the United States. The amount for which the person making the overcharge is liable in an action under this subsection is either \$50 or treble

the amount of the overcharge, whichever is the greater. No discretion to fix a smaller amount is allowed the court. Thus, if there is a series of overcharges, the purchaser is entitled to recover at least \$50 for each such overcharge. For example, if a roomer who pays his rent by the day is overcharged 50 cents a day for 10 days, he is entitled under the present law to recover \$500 from his landlord even though the aggregate amount of the overcharges is only \$5.

This bill amends the present law with respect to the amount of damages which may be recovered in actions under this subsection. With respect to the \$50 minimum, it is provided that the purchaser may recover only one \$50 for all of the overcharges which he has paid to a given seller prior to the bringing of the suit. With respect to the treble-damage provision, it is provided that the court may use its discretion for the purpose of fixing the damages within the range between one and one-half and three times the amount of the overcharge or overcharges upon which the action is based, subject of course to the \$50 minimum, which would be applicable in any case. It is the opinion of the committee that where substantial amounts are involved, the court should be permitted to take into account the circumstances under which the violations occur and to assess something less than treble damages in cases where violations occur unintentionally and despite the exercise of due diligence to prevent them.

Suggestions for the further relaxation of the provisions of this subsection have been made to the committee, particularly with respect to the elimination of the \$50 minimum. The committee believes this minimum should be retained. This action is the people's remedy against inflation. It was written into the statute because the Congress recognized the practical need of this aid to enforcement. It will be effective only if consumers are given a sufficient incentive for taking action. They will not have such an incentive unless they are entitled to recover at least \$50, and are entitled to recover it by showing only that the violation occurred and without litigating issues relating to culpability.

The bill further amends this subsection so as to strengthen it by authorizing the Price Administrator to bring a suit for the damages on behalf of the United States in those situations where the present statute authorizes suits only by the consumer, if the consumer does not bring an action within 30 days after the violation. If the Administrator institutes such an action, suit by the consumer will then be barred. The amount which the Administrator may recover is the same as that which the consumer could recover if he brought the suit. As in the case of consumers, such suits may be brought in either Federal or State courts. This procedure, by providing a quick and effective remedy for violations which are of a minor character, will close an important gap in the present system of enforcement sanctions.

In the case of suits brought by consumers, and in the case of suits brought by the Administrator at the retail level after the consumer fails to bring suit within 30 days of the violation, the amendments made by this section will be effective only with respect to violations occurring after the date of enactment of this bill. In the case of other suits brought by the Administrator, these amendments will apply to all suits now pending or hereafter instituted.

REVIEW OF RATIONING SUSPENSION ORDERS

Section 109 of the bill adds a new subsection (g) to section 205 of the Emergency Price Control Act. The principal purpose of this amendment is to give statutory sanction to the right of judicial review of rationing suspension orders. Such a right already exists and has always been acknowledged by the Administrator. The amendment will also eliminate doubts as to the jurisdiction of the district courts in suits where the amount in controversy does not exceed \$3,000 exclusive of interest and costs. Since the amendment grants jurisdiction to the district courts irrespective of jurisdictional amount, any necessity for resort to the State courts (which would involve serious questions as to the legality or propriety of instituting suit against Federal officers in such courts) is also eliminated. Jurisdiction of the Federal courts is therefore made exclusive. Because of the acute public danger involved in the postponement of the effectiveness of suspension orders, the amendment requires prompt resort to the district court for judicial review. The amendment does not change the ordinary rule of judicial administration requiring exhaustion of administrative remedies before resort to the courts, and no review may be obtained unless resort has been had to all administrative remedies within the Office of Price Administration. However, if an administrative stay pending exhaustion of such remedies is not accorded, judicial review of such denial of a stay may be had and the court may stay the operation of the suspension order until the administrative process has been completed. Under the amendment, the court may temporarily restrain the effectiveness of the suspension order after the administrative process has been completed, pending judicial review. However, no interlocutory relief may be granted in any case unless the applicant for such relief first consents, without prejudice, to the entry of an order enjoining him from violating the Administrator's regulations or orders involved in the suspension proceedings.

TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

COTTON TEXTILES

Section 201 of the bill amends section 3 of the Stabilization Act of October 2, 1942, by adding a new paragraph containing a formula relating to maximum prices for cotton textiles. This amendment applies to products or items manufactured or processed in whole or substantial part from cotton or cotton yarn by processors or manufacturers who use cotton or yarn as their raw material. Thus it is not applicable to articles subsequently manufactured by others from the cotton textiles and it does not apply to sales by distributors after the textiles have been sold by the manufacturer or processor.

The amendment provides that the maximum price fixed for any specific cotton textile item shall be not less than the sum of (1) the cost of the cotton or cotton yarn used in the production of the textile item, including the cost of delivery as determined by the War Food Administrator (2) the total current cost of whatever nature (other than that already included as the delivered cost of the cotton or yarn) of manufacturing and marketing such item, to be computed at a

uniform figure that will cover the costs of any manufacturer or processor among those who produce at least 90 percent of the total production of such item, and (3) a reasonable profit on such item, in addition to the costs computed as provided above. For the purposes of this computation the cost of the cotton is to be taken as not less than the parity price therefor; except that for the 60-day period beginning 120 days after the enactment of the new paragraph, and for each 60-day period thereafter, it is to be taken as the current market value of the cotton at the beginning of the 60-day period, if the current market value at that time is less than parity. When any change occurs in the cotton cost as thus determined a corresponding change is to be made in the maximum prices for cotton textiles. This affords a kind of "escalator clause" which requires changes in maximum prices for cotton textiles at 60-day intervals corresponding with changes in the price of cotton, so long as cotton is below parity.

This amendment also provides for a change in the method of applying the parity price for cotton in determining what shall be regarded as the parity equivalent for any particular cotton for the purposes of section 3 of the Stabilization Act of October 2, 1942. The parity price for cotton is an over-all figure applicable to the commodity as a whole. The amendment makes no change in the method of determining that figure. This over-all figure must be applied by some method, with appropriate adjustments for differences in staple, grade, location, etc., to any specific cotton for the purpose of determining parity price or its equivalent for that particular cotton. At the present time in the case of cotton, one method of applying parity is used for price-control purposes and another method is used for loan purposes. This amendment provides that the method now used for loan purposes shall also be used hereafter for price-control purposes. That is, the over-all parity price for cotton will be regarded as equivalent to the parity price for $\frac{3}{8}$ -inch Middling cotton at average locations, and adjustments for other staples, grades, locations, etc., will be made from that basis. The amendment does not require that this method of applying parity be used for any other purpose.

The amendment provides that maximum prices for textile items shall be adjusted within 60 days to the extent necessary to meet the new requirements contained in the amendment.

The necessity for this amendment arises out of the peculiar situation which now exists with respect to cotton textiles. The amendment does not represent a departure from the basic principles of the present law. The agencies administering the stabilization program now have authority to do everything which the amendment requires. However, under the policies which have heretofore been followed, a number of problems in the cotton textile field have arisen and have become so serious that it appears to the committee that the Congress should write into the law more explicit directions as to the action which should be taken to alleviate these problems.

Many of the necessities of everyday living are made from cotton textiles. An adequate supply of these textiles is essential to the effective prosecution of the war and the maintenance of our civilian economy. The demand for products of cotton textiles has grown tremendously during the war period and continues to be great. While the production of these textiles is well above peacetime levels, it has failed to keep pace with demand; and, in recent months, production

has declined progressively in the face of the fact that essential requirements are not being met. It is common knowledge that there is a serious scarcity of cotton goods for civilian consumption. This scarcity is acute in the case of low-priced clothing, especially clothing of the sort usually worn by working people. As a result, these people are having to buy higher priced clothing of a type which is not as durable or as well suited to their needs; thus being at a double disadvantage because ordinary work clothing is not available to them.

The scarcity of cotton goods is not due to a lack of the raw material. There is an abundant supply of cotton. In fact, there is a larger carry-over than is required to meet our prospective needs; and, in view of the declining rate of consumption, there is great danger of building up an unwieldy surplus which during the post-war period will disrupt the economy of that large portion of our population which depends on the production of cotton for a livelihood. Thus we are faced with a situation in which there is a continued decline in the consumption of cotton and in the production of textiles although there is a plentiful supply of cotton and a great unsatisfied demand for cotton textiles to meet essential needs.

Moreover, the price of cotton has failed to reach parity. There is evidence before us that the ceilings set by the Office of Price Administration on some textile constructions fail to reflect parity price for the particular grades and staples of cotton from which the constructions are made. The Congress has declared in the Stabilization Act that no maximum price should be fixed on an agricultural commodity that does not reflect at least parity prices to producers. It is the opinion of the committee that the amendment here proposed will aid in attaining this expressed objective by removing the pressure upon textile mills to keep their costs down by paying less than the parity price for cotton.

The committee believes that the earnings of the cotton textile industry as a whole have been high enough under the price-control program, although it does appear that some mills have been forced to curtail operations because the established ceiling prices have been too low to permit them to meet their increasing costs. The industry has kept its earnings up by concentrating on the production of higher priced items at the expense of the production of low-cost merchandise. There is usually a greater margin of profit in the higher priced items under the existing price ceilings and, with the present demand sufficient to absorb goods anywhere within existing price ranges, the natural tendency has been to shift to the production of items where the most profit could be obtained. The resulting disappearance of low-priced cotton goods from the market has certainly not aided the stabilization program. Indeed, it has actually increased the cost of living. The return of low-cost cotton goods to the market by a readjustment of the price relationship between low-cost textiles and those with higher prices, even at an increase in the price at which the low-cost goods were formerly available, would result in an actual net saving of great importance to consumers. Even if this could be done only by permitting textile mills to earn more money, it would still be in the interest of consumers that it should be done. Moreover, any windfall which might accrue to the mills would be substantially reduced by our wartime excess-profits tax, which taxes excess profits at rates up to 95 percent.

However, the committee believes that if some ceiling prices for textiles are too high, they should be reduced, while those that are too low should be increased. If the statements of officials of the Office of Price Administration to the effect that the textile mills are earning profits sufficiently large to enable them to pay parity prices for cotton are true, then this amendment should not result in any increase in the cost of living. For any increases in the schedules that are too low would be offset by decreases in the schedules that are too high.

The committee recognizes the difficulty of trying to write into the statute a specific formula which will be satisfactory in all cases, but it believes that the formula provided in this amendment will go far toward accomplishing its prime objectives, namely, the return of low cost cotton goods to the market, an increase in the consumption of cotton and the production of cotton textiles, and reaching parity price for cotton.

In view of the importance of these objectives and the peculiar circumstances which exist in no other industry, the committee, after careful consideration, recommends this amendment, even though the Price Administrator has recommended against it. The committee believes that the purposes of the amendment are entirely consistent with and in aid of the stabilization program.

SETTLEMENT OF DISPUTES UNDER RAILWAY LABOR ACT

Section 202 of the bill amends section 4 of the Stabilization Act of October 2, 1942. This amendment provides that in any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wages or salaries, the procedures of that act shall be followed for bringing about a settlement of the dispute. The amendment requires that any agency provided for by such act shall, as a prerequisite to effecting or recommending a settlement of the dispute, make a finding and certification that the settlement will be consistent with the standards then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. When such finding and certification are made by such agency, the amendment provides that they shall be conclusive and that it shall be lawful for the employees and carriers, by agreement, to put into effect changes with respect to which such finding and certification were made.

The settlement of wage disputes between carriers and their employees has been the subject of careful consideration by the Congress for many years. The procedures of the Railway Labor Act have furnished an admirable method for the settlement of disputes and for the maintenance of a rational wage structure in the railway industry. No other industry has any comparable machinery established by act of Congress for the handling of its wage problems. The agencies established under the Railway Labor Act for the consideration of wage disputes are impartial governmental agencies. In following the procedures established in the act, they become thoroughly familiar with the problems and issues involved in the dispute under consideration. It appears to the committee that these agencies, because of their intimate knowledge of the problems involved, would be best qualified to make conclusive determinations as to the wages

which carriers, in settling disputes, might agree to pay their employees. Of course, any such settlement should be consistent with the standards of the stabilization program, and the amendment requires that the agencies provided by the Railway Labor Act must find and certify that any proposed settlement is consistent with such standards.

TERMINATION DATE

Section 203 of the bill continues until December 31, 1945, the effective period of those provisions of the Stabilization Act of October 2, 1942, as amended, which under the present law would expire on June 30, 1944. This action is in conformity with the provisions of section 101 of the bill, continuing the effective period of the Emergency Price Control Act until December 31, 1945.

LOAN RATE FOR AGRICULTURAL COMMODITIES

Section 204 (a) of the bill amends section 8 of the Stabilization Act of October 2, 1942, so as to increase the basic loan rate for cotton, corn, wheat, rice, tobacco, and peanuts to 95 percent of the parity price. The basic loan rate now provided by that section is 90 percent of the parity price. The new rate will be applicable to the 1944 crops of these commodities and, under the existing provisions of section 8, will apply to the crops for each year until the expiration of the second calendar year which begins after the termination of hostilities in the present war. The amendment does not provide for any change in the conditions upon which such loans are to be made. The present provisions of section 8 (c) of the act of October 2, 1942, will continue to be applicable. This section now provides that in the case of any of the above specified commodities the President may fix the loan rate at any rate not less than that otherwise provided by law if he determines that such action is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war. The loan rate otherwise provided by law, which is referred to, is a basic rate of 85 percent of the parity price for the crops for each year through 1946.

Section 204 (b) of the bill amends section 4 of the act of July 1, 1941 (the Steagall amendment) which now provides that whenever the Secretary of Agriculture (now the War Food Administrator) finds it necessary to encourage the expansion of production of any nonbasic agricultural commodity, he shall use the funds available to him so as to support (through commodity loans, purchases, or other operations) a price for such commodity of not less than 90 percent of the parity or comparable price. The amendment made by this section of the bill increases the present rate of 90 percent to a rate of 95 percent.

MINORITY VIEWS

The task of this committee and the Congress is to perfect and strengthen wartime price control, not to weaken or destroy it. After painstaking study the committee has worked out a substantial number of amendments which will materially improve the present laws. These constructive labors would be more than offset and the price-control program undermined if the Congress were to accept the majority's further recommendation that it yield to the importunities of one special-interest group and legislate large increases in cotton textile prices.

The price increases which the proposed amendment would require are not needed by the textile mills and would inflate their earnings out of all reason. They will not help the cotton farmer, as they are assumed to do. Nor is there a good reason to think that they will increase the production of textile goods, as it has been claimed they might. It is certain, moreover, that they will compel serious increases in prices paid by consumers for cotton goods, including low-priced cotton clothing.

There is a very real hazard that these increases on cotton textile products would alone be enough to upset the precarious balance between prices and wages which the Price Administrator has succeeded in maintaining for more than a year. But the increases will not stop with cotton textiles. Higher prices, on such a basis as this amendment proposes, cannot be given to one group of industries in the Nation and denied to all others. Any such gross discrimination in favor of the cotton textile industries could not fail to stimulate demands for like favors from other industries both in the Congress, while the present bill is being considered, and before the Price Administrator afterward. No just answer can be given to these other groups why similar treatment should not be accorded them. But unless such demands are resisted, the country will be plunged into an inflationary run-up of prices and wages. If this happens, the action of the committee will be said to have set the stage for ruin in the difficult and dangerous years that lie ahead.

EXTENT OF THE REQUIRED INCREASES IN COTTON-TEXTILE PRICES

Exactly how large will be the price increases required by this amendment no one can say with assurance. This in itself is enough to condemn the proposal. It would write into the law a rigid, mechanical formula, concerning the effect of which no adequate inquiry has been made. What the *exact* effect will be depends on cost and profit data which are not now available, which can be collected, if at all, only with utmost difficulty, and concerning which the proponents of the amendment did not even submit testimony. The Price Administrator would be severely criticized if he acted thus blindly in establishing price policies.

The New York Journal of Commerce has made an independent estimate that the amendment would increase cotton textile prices from 10 to 20 percent. The Price Administrator has been deliberately conservative and has placed his estimate (exclusive of the cotton cost factor) at not less than 5 percent, most probably 7.5 percent, and

very possibly more. Translated into dollars and cents, the Administrator's percentages mean immediate price increases, at the mill level alone, amounting to from \$100,000,000 to \$150,000,000 or more a year. These figures, moreover, do not include an added temporary windfall to the mills amounting, on an annual basis, to from \$35,000,000 to \$50,000,000. This latter increase would result from the sliding scale feature of the amendment under which the cost of cotton to the mills is first to be figured at the parity price and only later to be reduced so as to reflect the prices which the mills are actually paying. Unless—as seems doubtful—pyramiding of price increases could be avoided by imposing on subsequent manufacturers and distributors the burden of absorbing the increased textile costs, the resulting increases in prices paid by consumers (again excluding the temporary cotton cost increase) would run from \$225,000,000 to \$335,000,000—all without necessary gain to the farmer—all to be paid for by the consumer.

It should be pointed out that the foregoing estimates were all made before the amendment was enlarged to include not only products made from raw cotton but products made from cotton yarn. If this includes products partly made of cotton yarn, the resulting price increases both at the mill level and at the consumer level might well be half again as large.

Apart from statistical estimates, careful study of the formula embodied in the amendment ought to satisfy anyone that the Price Administrator is right in calling it inflationary. Although, under normal conditions, few, if any mills expect to make a profit all the time on all the items they produce, yet the formula in the amendment is so framed as to constitute, for most mills, a minimum statutory guaranty that this can be done.

The amendment provides that the ceiling price for each cotton textile product shall at all times equal the sum of three factors—a cotton cost factor, a manufacturing cost factor, and a profit factor. The cotton cost factor, except at the beginning would equal the current market price for cotton. The manufacturing cost factor, however, is to be computed at a figure which will cover all costs, including overhead and selling expenses, for 90 percent of the output of that particular item.

A price which would simply cover the costs of the highest-cost firm in the 90 percent group would, of course, yield a profit to all other firms in the group which had lower costs. However, the ceiling does not merely cover the costs of that highest-cost firm. Instead, the ceiling price must assure that firm "a reasonable profit." This "reasonable profit" will automatically be added to the profit already assured all the other firms in the industry having lower costs on the item than the highest cost firm in the 90-percent group.

If even the relatively high-cost mills make a profit on an item, it is obvious that the increased prices will yield the lower-cost mills extraordinary profits. If individual mills make a profit even on the relatively higher cost items which they produce—and most mills have some high-cost items—it is obvious that their over-all profits for all items are also likely to be extraordinary. The Price Administrator has testified that costs in the textile industry vary sharply, not only as between different mills on the same item but, relative to costs generally, as between different items produced by the same mill.

Profits heretofore have been obtained by the familiar process of "averaging out." But with the minimum of a "reasonable profit" on each item assured to the highest-cost firm among the mills producing 90 percent of that item, it is evident that the industry would rapidly begin "averaging up" to inflationary price and profit levels.

EFFECT UPON MILL EARNINGS

The available figures on mill earnings prove conclusively the unwarranted and inflationary character of the proposed increase. Some industry representatives have suggested doubt about these figures; but they have not come forward with any information which contradicts them, as it is reasonable to believe they would do if the information exists. The firms for which the Office of Price Administration has been able to secure data represent more than one-third of the total production. In 1943 those firms earned an average, before taxes, of 12.5 percent on sales and an average on estimated net worth of no less than 32.9 percent. These earnings compare with an average of 3.5 percent on sales and 4.5 percent on net worth in the peacetime years of 1936 to 1939, which were themselves the most favorable for the industry since the early twenties. Projected for the entire industry, these 1943 figures indicate aggregate dollar profits before taxes last year of \$250,000,000 on a total sales volume of about 2 billions.

The amendment recommended by the committee would raise these already inflated earnings to fantastic levels. Additional revenue of \$100,000,000, which is the minimum increase estimated by the Price Administrator, would mean an average return on sales of more than 17 percent, or five times the 1936-39 average. On estimated net worth it would mean an average return of more than 45 percent, or 10 times the 1936-39 average. An increase in revenue of \$150,000,000, which is a more probable figure, would bring the return on sales to 20 percent and the return on net worth to the bonanza level of 52 percent.

How a proposal which would have these consequences can be justified in time of war passes understanding.

LACK OF BENEFIT TO FARMERS AND CONSUMERS

The amendment has been defended on the ground that it would help the cotton farmer by raising the price of cotton to parity and the consumer by increasing the production of cotton textiles. The Price Administrator, however, has made clear that these claims have no foundation.

Cotton prices are below parity, the evidence shows, because cotton supplies are large and because manpower in the textile industry has been declining. As a matter of fact, the cotton carry-over exceeds 10,000,000 bales this very year. In the face of these large supplies, cotton prices can go up only if there is a big increase in demand by the mills. But the mills are not in a position to increase their consumption of cotton because they cannot get the labor necessary for increased production. Indeed, it seems clear that, if it were not for the support of cotton which the Government is providing by its loan program, the price of cotton would be far below where it stands today. By the same token, it is plain that, if the price of cotton is to be increased to parity, it can only be done by increasing the loan value or

by other direct Government support. The committee has already recommended an increase in the loan value to 95 percent of parity, and the effect of this will almost certainly be an increase in the farm price of cotton to parity. But if a still higher loan value is necessary to raise cotton to parity, it would be far better to adopt the higher figure than to legislate windfall earnings for textile mills in the vain hope that some of those may trickle through to the cotton farmer.

To suppose that the mills will pay higher prices for cotton merely because their earnings are increased is fanciful. If that were true, the peak earnings which the mills have been receiving would long since have meant peak prices for cotton. Actually, the last official figures showed that cotton was only eight-tenths of 1 cent below parity. The earnings figures already cited show that the mills are abundantly able to pay this additional eight-tenths of a cent for cotton and still make profits many times those to which they were accustomed in peacetime.

The truth is, of course, that the mills, regardless of their earnings, pay for cotton, and will continue to pay for cotton, only what they have to pay; namely, the market price. The market price, apart from Government support, depends on supply and demand. In the absence of such support, the price of cotton will increase only if there is a significant increase in demand relative to supply. The proposed amendment can be expected to bring about such an increase in demand only if it is believed that the mills, up to now, have been limiting their purchases because production is unprofitable. The figures on mill earnings show conclusively that this is not so. The mills have been trying to expand their production but have been unable to do so for lack of manpower.

If there were any doubt about these conclusions, it would be removed by an actual experiment in price increases which has just been tried. Disturbed by the decline in production, the Economic Stabilization Director recently directed the War Production Board to fix quotas for the production of chambrays and denims and at the same time told the Office of Price Administration to put certain price increases into effect. The result showed that the manpower shortage rather than price ceilings was the limiting factor in production. Even the more profitable mills were compelled to apply to the War Production Board for a reduction in their quotas because they were unable to obtain the labor necessary to fulfill them.

These facts make it clear that the proposal will not help the consumer, any more than it will the farmer, by increasing the total amount of cotton goods which can be produced. Much less will it help the consumer by correcting the shifts, within that total, from lower-priced to higher-priced goods, which have been the main cause of the steady increase in clothing prices. Such shifts can be corrected only by selective programs of the kind already being developed by the Office of Price Administration and the War Production Board. Far from helping to solve this problem, a blanket increase in textile prices will only aggravate it by making the high-profit items more attractive to the producing mills.

In the face of this evidence it would be folly for the Congress to suppose that, by legislating additional price increases for cotton textiles, it can help either the farmer or the consumer. All it will do will be to swell the already swollen earnings of the mills at the consumers' expense.

DISCRIMINATORY NATURE OF THE AMENDMENT

There are hundreds of industries which, like the cotton-textile industries, sell many different products. All these industries would like to have the price for each of their products computed so as to cover the total costs of production for 90 percent of the output plus an additional amount representing "a reasonable profit." The question must be answered: If such a formula is fair for cotton textiles, why is it not fair for all the other industries which would like to enjoy its benefits?

No satisfactory answer to this question has even been attempted. Obviously, what is fair for the cotton-textile industries must be fair for other industries which likewise produce important and needed goods. Decency in government requires that all persons in the same situation be treated in the same way. The avoidance of arbitrary action, which is the most fundamental of all constitutional principles, requires the same thing.

If the Congress were to ignore these self-evident truths, it would only shift to the Price Administrator the obligation of facing them. He would then be put in the intolerable position of having to choose between enforcing a discriminatory law or taking upon himself the responsibility of permitting price increases to other industries upon the same basis as that laid down for cotton textiles. In the Price Administrator's judgment, the latter choice would be equivalent to abandoning the stabilization effort. If this is to be done, it needs no argument to show that the Congress should take the responsibility for doing it.

EFFECT UPON THE STABILIZATION PROGRAM

For a full year the Price Administrator, under the present laws, has held the general level of prices and the cost of living steady. He has done this in accordance with policies which have been carefully and fully explained in the committee.

Putting aside the special requirements applicable to agricultural products and their derivatives, prices are increased, as a requirement of law, only where aggregate industry earnings, appropriately adjusted for changes in investment, fall below representative peacetime levels or where—as an added requirement applicable to industries selling more than one product—the price of a particular product falls below the out-of-pocket cost of the highest-cost producers outside the industry's high-cost marginal fringe. Price increases above these minimum requirements may be and are permitted, in limited amounts, when existing ceilings are found to be an impediment to the securing of maximum needed supply.

Adoption of the proposed amendment would be a flat repudiation of these policies as applied to cotton textiles and, as has been seen, would make it difficult if not impossible to continue to apply them to other industries.

The Price Administrator has given persuasive reasons to explain his adoption of the policies presently applied and his rejection of policies of the kind represented by this amendment. He has shown, first of all, that any attempt to fix maximum prices by reference solely to the costs and profits allocable to each particular product produced by multiple-product industries would encounter insuperable administrative difficulties. Data on over-all industry earnings, which now

are the Administrator's primary guide, can be readily secured, both for current periods and for the past periods necessary for purposes of comparison. Current out-of-pocket costs are likewise relatively easy to determine. An effort, however, to ascertain, for both current and past periods, not only the overhead costs but the profits allocable to particular items would plunge the Administrator into a morass of accounting difficulties and would often prove a practical impossibility.

Apart from the fact that it cannot be administered, a statutory guaranty of a profit on every product would be seriously inflationary, since it would compel price increases on all the relatively lower-priced products of an industry while practical difficulties, such as the uneven distribution of items in production, would prevent decreases on the relatively higher-priced products. The Administrator has testified that the adoption of any such pricing standard would compel large numbers of price increases in virtually every multiple-product industry. That fairness requires no such standard is evidenced by the fact that, under existing policies, the earnings of American industry, both before and after taxes, have reached the highest levels ever before attained.

It would be tragic if the Congress were thus to destroy the economic stability which has been won with such great difficulty over the past 2 years. Prices and wages have been stabilized, as they have been, only by dint of arduous work and the courage to say "no" again and again when the easy way would have been to say "yes." The cause of democratic government will be hurt if the legislative branch proves any less able than the executive to defend the common good against the pressure of special interests.

We do not question the good faith of the cotton textile industries, or of other groups, in pressing their claims for price increases. But we do question their vision and good judgment. The essence of inflation is a situation in which higher prices are to the short-run advantage of each individual who has goods to sell but to the long-run disadvantage of all. Immediate gains in the race for higher prices are offset, and more than offset, when other price increases catch up.

No clearer example of this could be found than the present amendment. If adopted, it will inevitably touch off demands by other industries for the granting of price increases on the same basis. If these are yielded to, then, having enormously increased the profits of industry, and materially increased the cost of living, it would be out of the question to continue the present stabilization of wages. To take but a single example, how could the textile workers be denied an increase in wages by the War Labor Board in the face of the enormous increase in textile profits which this amendment would permit?

Today the cost of living and wages are in delicate balance. If that balance is broken, no one can say how far and how fast prices and wages will rise before they can be stopped. And once they break loose, no one can say how far and how fast they will fall—and with what devastation to all industry and all workers alike—once the inflation has run its course.

ROBERT F. WAGNER.
CARTER GLASS.
FRANCIS MALONEY.
GEORGE L. RADCLIFFE.
ABE MURDOCK.
JOHN A. DANAHER.

SUPPLEMENTAL STATEMENT

The supplemental statement which the committee has caused to be attached is as follows:

NECESSITY FOR CONTINUING STABILIZATION PROGRAM

The stabilization program which this bill proposes to continue is an essential part of our fight against inflation. The dangers and hardships of inflation are too well known and too generally recognized to require extended discussion here of its consequences. However, it should be pointed out that the necessity for measures to control inflation is as great or greater now than ever before.

Nearly half of our national economy is now devoted to war. War expenditures are at the rate of approximately \$7,500,000,000 a month. The gap representing the excess of currently earned public buying power, after payment of personal taxes, over goods and services available for civilian use continues to grow. It is estimated that this gap in 1943 amounted to \$34,000,000,000. There is also \$21,850,000,000 in currency outstanding, as compared with \$7,200,000,000 before the start of the war. Demand deposits in banks amounted to \$60,815,000,000 on December 31, 1943, compared with \$27,355,000,000 on June 30, 1939.

The inflationary potential which, it is estimated, will exist at the end of this fiscal year, on June 30, 1944, measured by demand deposits and currency, savings deposits in the banks and Government securities held by business concerns and individually, but excluding Government securities held by life-insurance companies and banks, will amount to \$194,000,000,000; 113 billions held by individuals and 81 billions by business. This compares with liquid holdings as of June 30, 1941, of 48 billions held by individuals and 31 billions held by business, a total of 79 billions. In other words, there will have been an increase in the 3-year period of \$115,000,000,000.

The outlook for the future indicates that inflationary pressures will, if anything, increase as the war effort becomes more intense because of growing demand and an increasingly tight supply of civilian workers. Even a German collapse during 1944 would not be likely to result in any immediate easing of pressures. The curtailment of war production would probably not be substantial until several months after German surrender and would still leave Government expenditures at a level high enough to force prices far above their present levels if controls were removed. Moreover, with a curtailment of war production, some private capital and consumer expenditures that have been impossible because of wartime scarcities would probably be resumed. Income payments to civilians, therefore, would probably not decline much.

If the war continues on all fronts throughout the fiscal year 1945, the pressures will, of course, continue to increase. Although some raw materials are not as scarce as they were a year ago, others are scarcer. So far as manpower is concerned, the shortage will become worse so long as the war continues on both fronts. It is apparent,

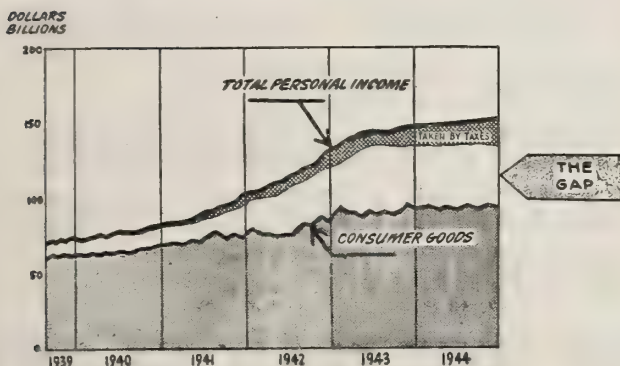
INFLATIONARY PRESSURES ARE STILL INCREASING

Month by month war costs pile up at the rate of \$7,500,000,000 every 30 days.

Month by month the gap between public buying power and available goods widens.

Month by month currency outstanding and balances in checking accounts increase.

Month by month the pressures for price inflation grow greater.



3,000,000 ESTABLISHMENTS SELL PRICE CONTROLLED GOODS



**189,000 Manufacturing
Establishments**



**93,000 Wholesale
Establishments**



**1,770,000 Retail
Establishments**



**288,000 Service
Establishments**

- and



**14,000,000 rented quarters
have rent control**

War Food Administrator are unable to agree as to the maximum price for an agricultural commodity, the disagreement is settled by the Director of Economic Stabilization.

The Office of Price Administration does not determine what commodities will be rationed or when. In the case of food, the War Food Administrator determines when a commodity will be rationed and the total quantity which will be made available to consumers. In the case of other commodities, the War Production Board makes such determinations. It is then the function of the Office of Price Administration to actually ration the commodity among consumers, in accordance with the determinations of the War Production Board or the War Food Administrator, as the case may be. Authority for rationing is conferred by the act of June 28, 1940, as amended by the act of May 31, 1941, and the Second War Powers Act, 1942.

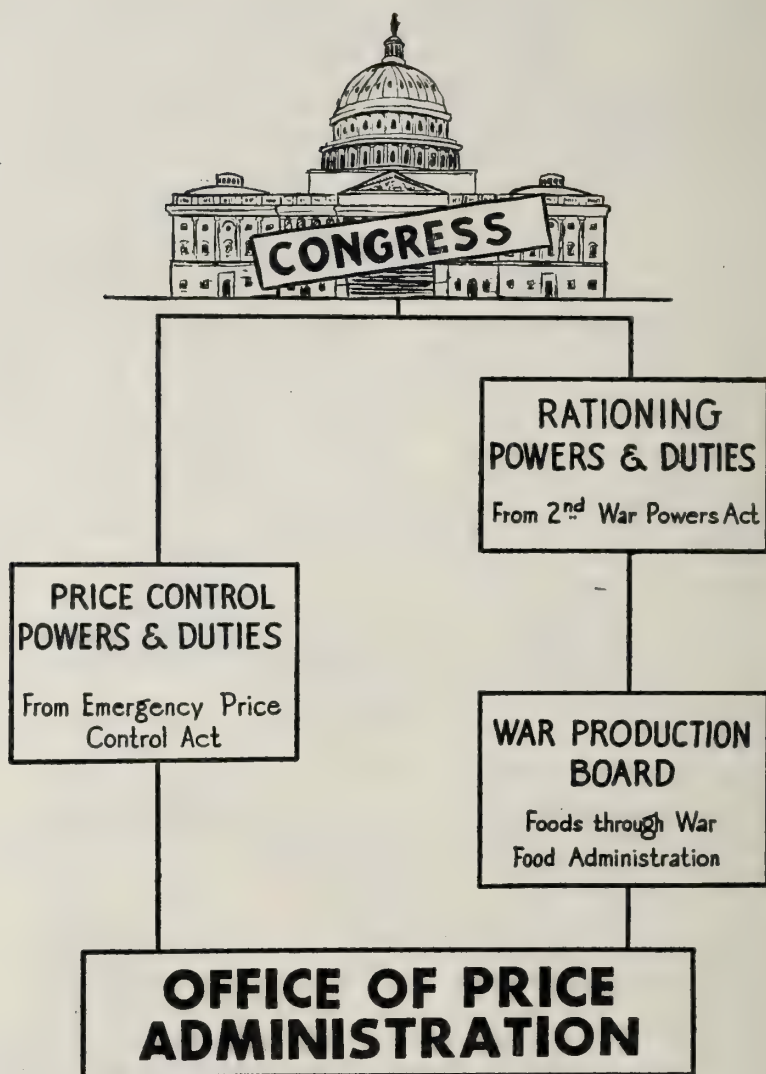
The War Food Administration is charged with the responsibility for procuring the production and distribution of an adequate supply of food and other farm products. As indicated above, it participates directly in the stabilization program, as maximum prices for agricultural commodities must be approved by the War Food Administrator and he determines the need for rationing in the case of foods. He also administers the wage stabilization program insofar as it applies to farm labor.

The National War Labor Board administers the program for stabilizing wages and salaries, with the exception indicated in the following table, which shows the allocation of responsibility for administering the stabilization program with respect to various types of wage and salary payments:

<i>Class of employee</i>	<i>Agency having jurisdiction</i>
Wage earners, except in agricultural labor----	National War Labor Board.
Executive, administrative, and professional employees represented by a labor organization, receiving up to and including \$5,000 per annum.	Do.
Other nonagricultural employees receiving salaries up to and including \$5,000 per annum (except as specified below).	Do.
Executive, administrative, and professional employees (except in agriculture) receiving less than \$5,000 per annum and not represented by a labor organization.	Commissioner of Internal Revenue.
Employees receiving salaries over \$5,000 per annum, regardless of type of employment.	Do.
Employees engaged in agricultural labor who receive wages, or receive salaries of \$5,000 or less per annum.	War Food Administrator.

NOTE.—Employees subject to the Railway Labor Act are subject to the jurisdiction of the National War Labor Board and the Commissioner of Internal Revenue only to the extent that changes in wages or salaries are permitted which under general orders or regulations do not require the specific approval of any Government agency. Any change in the wages or salaries of such employees which does require the specific approval of any Government agency must be submitted to the Chairman of the National Railway Labor Panel.

The respective functions of the various agencies administering the stabilization program and how those functions have been administered are further discussed later in this report. The organization and activities of the Office of Price Administration and the National War Labor Board are also discussed in considerable detail in the statements of Mr. Chester Bowles, the Price Administrator, and Mr. William H.



Davis, Chairman of the National War Labor Board, which are included in the appendix to this report.

OFFICE OF PRICE ADMINISTRATION

As indicated above, the Office of Price Administration is the agency charged with administering price control, rent control, and rationing. It was established by the Emergency Price Control Act of 1942, approved January 30, 1942. In its early stages the agency was beset by the rapid growth of general inflationary pressures upon all parts of the commodity price structure, and it was faced simultaneously with a series of problems arising out of shortages in specific products occurring because of our entry into the war and the consequent submarine warfare and rupture of normal sources of supply. At the same time that the agency had to formulate policies, plan operations and administer programs to deal with a succession of emergencies, it also had to deal with the day-to-day administrative problems involved in the recruitment of personnel, the transfer of its activities to the new statutory basis, the explanation of unprecedented measures to the public and many other problems. A list of some of the important emergency activities that faced the agency in the first 16 months of its existence is an impressive one:

1942

- January--- Tire rationing was instituted, administered by 8,000 local boards.
- February--- Rationing of 535,000 passenger automobiles began.
- March----- 20 areas in 13 States were designated as defense rental areas in the first statutory step to control rents.
First major control over retail prices was imposed by placing ceilings on 7 major household appliances.
- April----- The General Maximum Price Regulation was issued, freezing prices of millions of items sold by all manufacturing, wholesale and retail establishments throughout the country.
302 additional defense rental areas were designated.
General ceiling placed over export prices.
- May----- Working out of difficulties under the General Maximum Price Regulation began and continued for months. Among the problems were (1) relief of squeezes and individual hardships, (2) pricing of seasonal goods not sold in substantial quantities during March 1942, (3) pricing of new goods, (4) substitution of specific ceilings for the freeze ceilings.
Sugar rationing was instituted. Ration books had been printed and were distributed to 132,000,000 people in 5 days.
Gasoline rationing was instituted on an emergency basis for the east coast.
- June----- Prices of consumer services performed on a commodity were put under control.
- July----- Gasoline rationing was put on a permanent basis for the east coast. By this time, 39,000,000 people were under Federal rent control. Between June and November 287 separate rent offices were opened, 5,800 employees recruited, 9,200,000 rental units were registered, and rent regulations were put into effect.
- October--- Following the Stabilization Act of October 2, new ceilings increased the coverage of food price control from 60 to 90 percent of all foods.
Fuel-oil rationing was begun in 30 States and the District of Columbia for 5,030,000 homes and 153,000 other residential units, each ration adjusted to the individual needs of each structure.
- November. Coffee rationing was instituted.
- December. Gasoline rationing was extended to the entire country. By January 22, 1943, 29,000,000 individual gasoline rations were issued. Of these 14,000,000 were B and C books, which had to be tailored to meet the essential mileage needs of individual motorists.

EACH WEEK WE GET

4,500,000 telephone calls

2,500,000 letters

6,000 applications for price increases

1,500,000 personal calls at OPA
offices

.

In handling this vast number of individual applications and contacts there are bound to be some instances of bad judgement or discourtesy . . . some errors or stupidity . . . in spite of our constant efforts to prevent them.

1943	
January ---	Federal rent control had been extended to cover 76,000,000 people. Ration banking system introduced for sugar, coffee, and gasoline. More than 1,000,000 ration banking accounts are now maintained by food distributors alone in nearly 15,000 commercial banks.
February --	Ceilings were extended to certain fresh green vegetables at terminal markets. Shoe rationing was instituted. Efforts leading to Interstate Commerce Commission suspension of \$300,000,000 emergency freight rate increases were begun.
March ----	Rationing of processed food under point system was instituted, with use of ration banking. Books were distributed to 132,000,000 people. Uniform dollar-and-cent ceiling prices for retail stores on a community basis were announced for pork.
April -----	Meats, edible fats and oils rationing on point basis began. Setting up of 5,300 local price panels was begun.
May -----	Following the hold-the-line order, O. P. A. began putting into effect dollar-and-cent ceilings on hundreds of food items. Price control was extended to restaurants in specified areas. Distribution of 40,000,000 application cards for War Ration Book Three was begun.

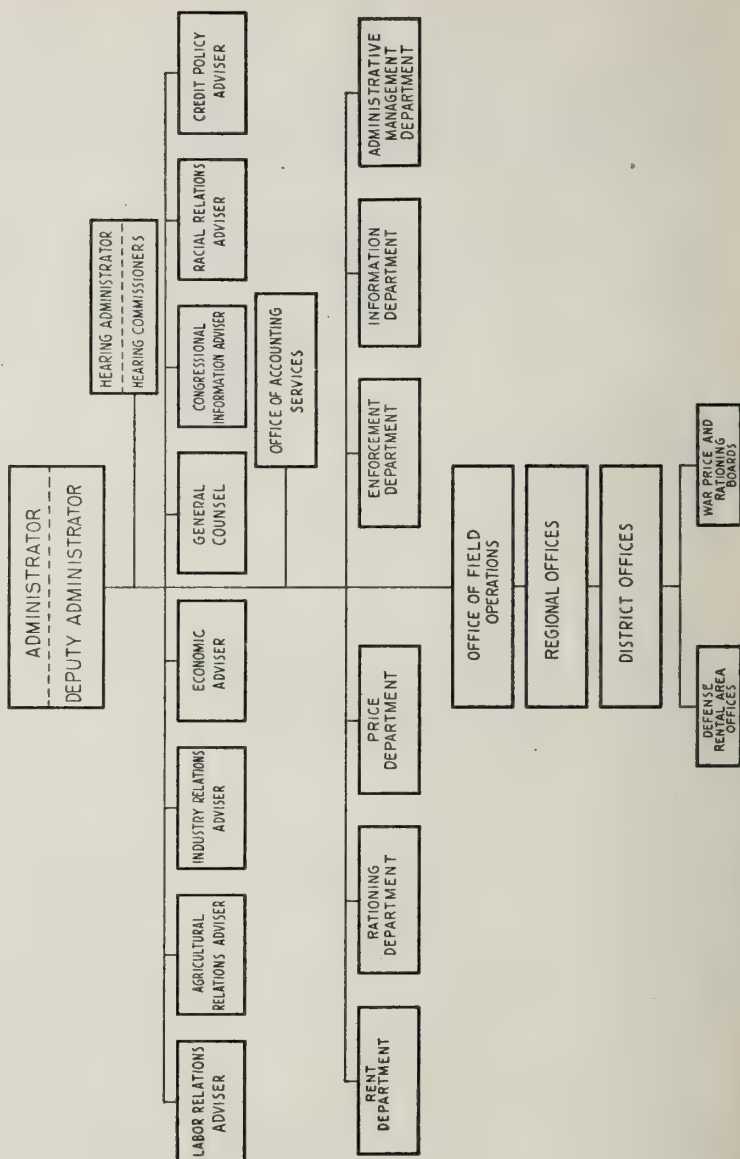
Each of the rationing programs required the development of a new series of regulations. Neither the people who drew them up nor the people whom they affected had ever had any previous experience with rationing. Thousands of specialists in the national office and in more than a hundred field offices throughout the country had to be hired and trained. Thousands of local board volunteers had to be recruited and then trained. Millions of forms had to be planned, printed, and distributed in every community in the country. Information on stocks and movements of supplies involved in the 13 rationing programs had to be collected, tabulated, audited, and analyzed, and point values had to be reappraised monthly.

All of the price programs required the employment and consultation of experts in every trade and industry, the setting up of advisory committees of businessmen, the gathering of detailed information on prices and costs for every type of business, the drafting and promulgation of regulations, etc.

The Price Administrator in his testimony freely admitted that mistakes were made; that there were many creaks and groans in the agency's operations during this period. In the past year the need for a general overhauling of administration was recognized. Having laid down the major lines of policy and done the main work of building up the organization, the agency has concentrated its attention upon the administration of these policies and the improvement of the organization and methods of operation.

In July 1943 a reorganization of the Office of Price Administration was undertaken to correct weaknesses and improve operations. The staff of price specialists and rationing and rent executives was strengthened by bringing into key positions 46 additional experienced businessmen. Budget funds were transferred from the Washington and 9 regional offices to the district offices in order to provide better service in local communities. A separate department of field operations was established to improve understanding and cooperation between Washington, the 9 regional and 93 district offices, and the 5,500 local war price and rationing boards. Operations were decentralized, giving regional administrators and district directors much greater responsibilities for the programs in their areas. The legal department was

OFFICE OF PRICE ADMINISTRATION NATIONAL ORGANIZATION OFFICE WASHINGTON D. C.



abolished as a separate entity, and lawyers working on price, rationing, and rent regulations were made responsible to the administrative heads of each operating department. A separate enforcement department was established.

Ration tokens were introduced for the purpose of making change, and ration stamps were given uniform value in order to save time and trouble and expense for the housewife and grocer. A system of ration banking under which 13,000 banks handle 5,000,000,000 coupons every month was introduced in January 1943 and in recent months has been strengthened.

Machinery for working with industry has been improved. The O. P. A. now has 450 industry advisory committees with 5,400 members. The extent of consultation with industry is indicated by the fact that in a 5-week period 2,500 meetings with these and other committees were held in the national office alone.

An agricultural relations adviser was appointed and plans have been made for organizing farm advisory committees in every O. P. A. region and district.

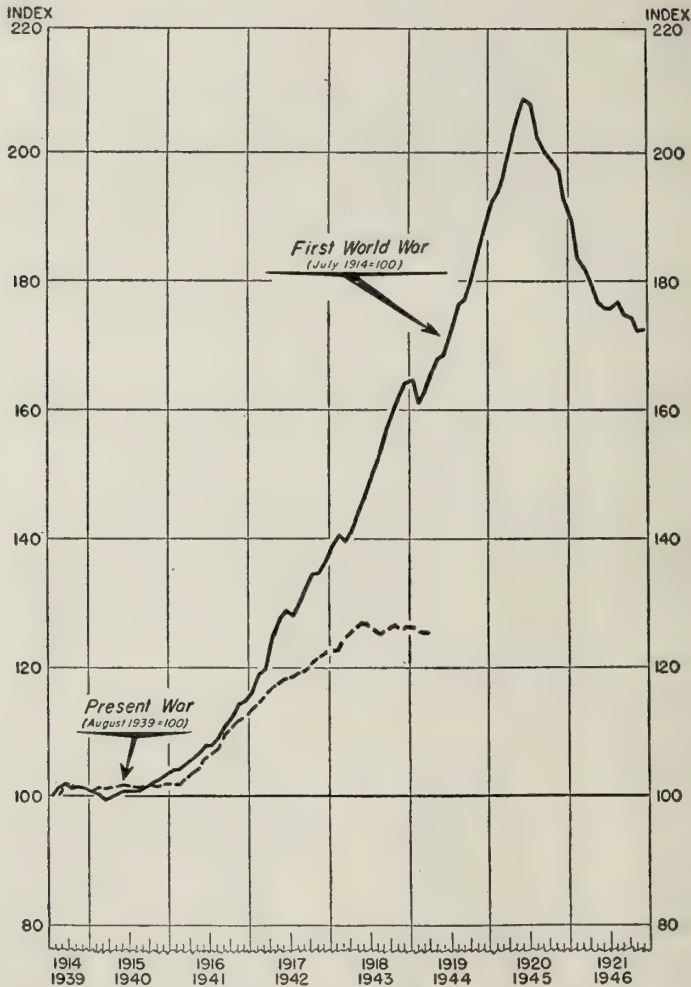
The organization of 93 O. P. A. district labor advisory committees has been completed, and the number of labor members serving on local O. P. A. boards has been doubled.

Progress has been made in simplifying forms and regulations. In 12 months 171 reports have been eliminated. Form A, for annual financial reports, was cut from 20 to 4 pages, and instructions were reduced from a 16-page booklet to a single sheet. Efforts have been made to draft regulations and orders in a simpler, less legalistic style. Numerous regulations have been consolidated. Thus, a new fixed retail mark-up regulation covering a great many food products was substituted for a number of separate regulations which had utilized differing methods of fixing ceiling prices. An example of the same effort in rationing is an order which brings together in a single document the rules governing all rationed foods for institutional users (hotels, restaurants, boarding houses, etc.).

All of this indicates that the O. P. A. is settling down, smoothing out its machinery, improving its performance, and reducing irritations as much as possible. In view of the magnitude and number of the problems faced, the speed with which they had to be dealt, and the complete lack of any experience in the country in dealing with such problems, the committee thinks confusion and mistakes in the Office of Price Administration were inevitable. The committee believes that as the agency gains experience the confusion and mistakes are being steadily reduced. In any effective system of price control and rationing, hardships among those subject to control are inevitable if the interest of the public is to be protected. But unnecessary hardships and inconveniences can be reduced to a minimum by just and skillful administration.

The committee believes that the Administrator and the men in key positions in O. P. A. are, on the whole, doing well with their tremendously difficult task. It appreciates the fact that many of these men in undertaking to help in the O. P. A. have done so at a substantial personal sacrifice. They have made important contributions in improving the administration of the price-control and rationing program; and the committee believes that the Office of Price Administration, under its present management, can and will continue to improve its

COST OF LIVING IN FIRST WORLD WAR AND IN PRESENT WAR



SOURCE: Office of Price Administration
and Bureau of Labor Statistics

OFFICE OF PRICE ADMINISTRATION
DIVISION OF RESEARCH
NO. 2646

operations with a consequent reduction in the irritations and inequities which have been brought about as a result of rationing and price control.

PERFORMANCE IN STABILIZING PRICES

A comparison of the increase in prices during the present war with the experience of the last war shows that we have had striking success in controlling prices. In the 54 months after July 1914 living costs rose 64.9 percent. In the 54 months after August 1939 they rose 25.6 percent. Wholesale prices doubled in the 54 months following the outbreak of World War I. In the corresponding period of this war they rose 38 percent.

TABLE 1.—Percentage increase in the cost of living after 54 months of war, World Wars I and II ¹

	World War I	World War II		World War I	World War II
	Percentage increase	Percentage increase		Percentage increase	Percentage increase
Cost of living, total.....	64.9	25.6	Rent.....	6.0	3.6
Food.....	81.8	43.9	Fuel, electricity, and ice..	35.2	13.1
Clothing.....	114.8	34.8	Housefurnishings.....	101.4	27.9
			Miscellaneous.....	49.9	18.2

¹ World War II data show changes between August 1939 and February 1944. World War I data show changes between July 1914 and January 1919, except for fuel, electricity, ice, and miscellaneous. No monthly data are available for these categories; therefore the figures show the change from the yearly average of 1914 to the yearly average of 1918.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

In addition to the benefits which have accrued to individuals by reason of the stabilization of the cost of living, the Government has made great savings in its expenditures because of price control. The Government today is buying 46 percent of all goods produced in the Nation. Up to January 1, 1944, the cost of munitions and war construction for World War II was 136 billion dollars. If prices of war materials had increased during this war to the same degree as during World War I, 65 billion extra dollars would already have been added to the cost of the present war. Table 2 indicates the comparative increase in prices of some of the commodities which particularly affect war costs.

TABLE 2.—Wholesale price increases of selected commodities after 54 months of war, World Wars I and II ¹

	World War I	World War II		World War I	World War II
	Percentage increase	Percentage increase		Percentage increase	Percentage increase
Steel plates.....	165	0	Cement.....	90	3
Pig iron.....	131	15	Coke.....	155	25
Copper.....	49	15	Glass (plate).....	95	0
Zinc.....	47	70	Petroleum.....	200	25
Anthracite coal.....	25	36	Lead.....	43	29
Bituminous coal.....	135	25	Wool (wholesale) ²	162	63
Lumber.....	70	60	Cotton (wholesale) ²	116	116
Tin.....	130	7			

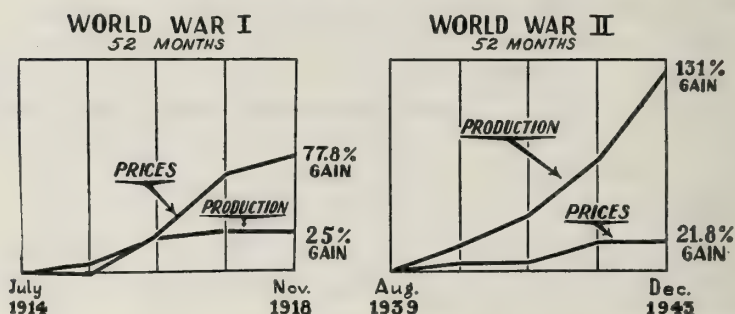
¹ World War I, July 1914 to January 1919; World War II, August 1939 to February 1944.

² Agricultural products—no price control until prices reach parity.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

This substantial price stability during the present war has been attained at the same time that industrial production has increased 119 percent and farm production has increased 21 percent in 4 years.

INDUSTRIAL PRODUCTION UP 131 %



In World War I prices of industrial goods rose 77.8%. Production rose 26% the third year, then dropped to 25% the fourth.

In World War II the situation has been exactly reversed. Production has risen steadily to a 131.% peak, while industrial goods prices have risen only 21.8 %

During the last war industrial production rose 25 percent and farm production increased only 5 percent.

The effort to stabilize the cost of living has been particularly successful during the past year. In April 1943 the Bureau of Labor Statistics cost-of-living index was 25.9 percent above the August 1939 level. In March 1944 it was 25.6 percent above that level. In other words, despite constantly increasing inflationary pressures, living costs have been held level. Wholesale prices have also been held during the past year, and, in fact, have risen only 7.9 percent since the Emergency Price Control Act became law. The committee realizes that these figures do not reflect the deterioration in quality of some merchandise and do not fully reflect the increases in actual cost of living which have been brought about as the result of the disappearance from the market of much low-cost merchandise. This deterioration in quality and disappearance of low-cost merchandise is most pronounced in the case of clothing, and has in the case of some items resulted in much inconvenience and even actual hardship.

TABLE 3.—*Movements in the cost of living and related data to March 1944 from selected dates*

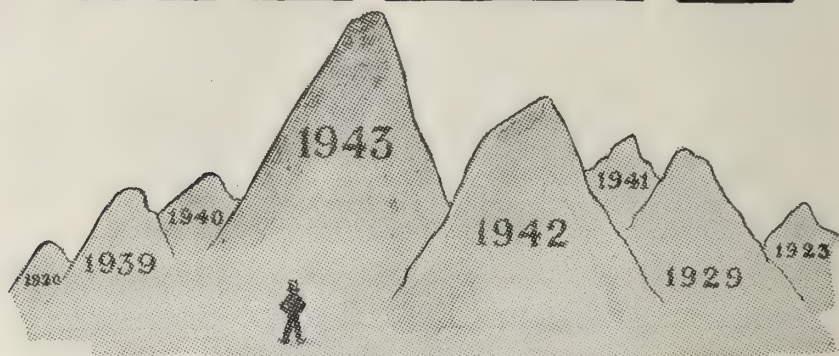
	January 1941 to March 1944				Percent increase to March 1944 from—				
	Percent increase	Relative importance in cost-of-living index ¹	Contribution to increase of total index		August 1939	January 1941	May 1942	September 1942	April 1943
			Percentage points	Percent of total increase					
		Percent 100.0		Percent 100.0					
Total cost of living.....	22.8		22.8		25.6	22.8	6.7	5.1	-0.3
Food.....	37.1	34.3	12.7	55.7	43.4	37.1	10.3	5.9	-4.6
Fresh fruits and vegetables.....	75.1	4.6	3.4	14.9	83.4	75.1	30.9	30.6	-11.0
All other foods.....	31.2	29.7	9.3	40.8	35.9	31.2	5.9	.9	-2.8
Clothing.....	35.7	11.0	3.8	16.7	36.3	35.7	8.3	8.7	6.9
Rent.....	2.9	19.6	.5	2.2	3.6	3.0	-1.6	.1	.1
Fuel, electricity, and ice.....	9.0	6.7	.6	2.6	12.7	9.0	4.8	3.5	2.2
Housefurnishings.....	28.9	4.4	1.2	5.3	28.2	28.9	5.6	4.4	3.4
Miscellaneous.....	16.9	24.0	4.0	17.5	18.6	16.9	7.4	6.9	3.7

¹ As of January 1941.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

The committee recognizes that price control has caused hardships in individual cases and in the case of some particular commodities, but at the same time all elements in the community, taken as a whole, have fared well under price control. Corporate profits, both before and after taxes, and net farm income are at all-time records. Unincorporated retailers also seem to be prospering. Balances in their checking accounts almost doubled between the beginning and the end of the fiscal year 1943. The rate of business failures declined over 80 percent between 1939 and the end of 1943. The number of names deleted from Dun & Bradstreet's reference book in 1943, which includes voluntary discontinuances now augmented by withdrawals for military service, was lower than in 1939 and also lower than in 1941, the last full year in which retail prices were free of control. Earnings of industrial workers have reached all-time

An All Time Production Peak



BASE PERIOD AVERAGE 1936-1939

During the present war in practically all price-controlled goods, production has reached an all-time peak.

INDUSTRIAL PRODUCTION INDEX

	INDEX	
1920	75	WAR BOOM PEAK
1923	88	RECOVERY PEAK
1929	110	BOOM PERIOD PEAK
1937	113	RECOVERY YEAR
1940	125	} DEFENSE PRODUCTION YEARS
1941	162	
1942	199	} WAR YEARS with <u>PRICE CONTROL</u>
1943	239	

PRICE CONTROL overall has hampered neither FARM OR INDUSTRIAL PRODUCTION

peaks and the income of landlords has also risen sharply since 1939 as vacancies have declined and upkeep costs have fallen sharply.

TABLE 4.—*Net income of farm operators, corporation profits, and wages and salaries, annually, 1939-43, and percent increases since 1939*

	Billions of dollars .					Percent increase from 1939 to—			
	1939	1940	1941	1942	1943	1940	1941	1942	1943
Net income of farm operators ¹	4.54	4.66	6.62	10.18	12.8	3	46	124	182
Profits of all corporations: ²									
Before Federal income taxes.....	5.3	7.3	14.4	19.0	23.0	39	174	260	336
After Federal income taxes.....	4.0	4.8	7.3	7.5	8.5	18	80	86	110
Wages and salaries ³	43.8	48.1	59.5	75.9	91.3	10	36	73	108
Nonagricultural.....	43.1	47.3	58.6	74.7	89.8	10	36	73	108
Agricultural.....	.74	.75	.90	1.18	1.5	2	22	59	104

¹ U. S. Department of Agriculture, Bureau of Agricultural Economics and Office of Price Administration.

² Compiled net profits less intercorporate dividends, as given in *Statistics of Income*; 1942 and 1943 estimated by Office of Price Administration.

³ Civilian only. U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce; Bureau of Labor Statistics.

NOTE.—Percent increases were computed from data before rounding off of the dollar figures; consequently, they do not necessarily agree with increases computed from dollar figures shown here.

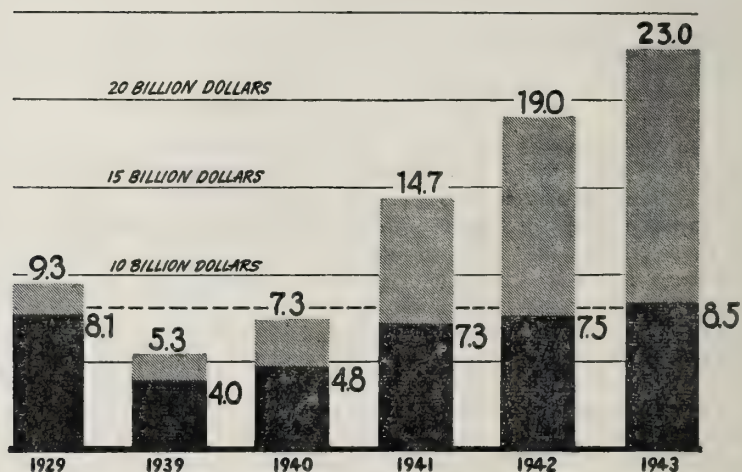
STANDARDS FOR PRICE CONTROL

The basic standards for price control are prescribed in the Emergency Price Control Act and the Stabilization Act of October 2, 1942. Section 2 (a) of the Price Control Act authorizes the Price Administrator to fix maximum prices which in his judgment will be generally fair and equitable and will effectuate the purposes of that act. It directs the Administrator, in fixing maximum prices in conformity with these standards, to give due consideration to the prices prevailing from October 1 to 15, 1941, and to make adjustments in such prices for relevant factors of general applicability, including speculative fluctuations and general increases or decreases in costs and profits, during and subsequent to the year ended October 1, 1941.

The Stabilization Act directed the President to stabilize all prices affecting the cost of living at the levels prevailing on September 15, 1942, so far as practicable. The President was authorized to provide for adjustments in such prices whenever he found them necessary to correct gross inequities or to aid in the effective prosecution of the war. The President was authorized to delegate his powers under this act, and has delegated to the Price Administrator the administration of price stabilization under this act. In fixing maximum prices for this purpose, the Administrator is required to comply with directives of the Economic Stabilization Director, and with the so-called hold-the-line order (Executive Order 9328, dated April 8, 1943). This order directed the Price Administrator to authorize no further increases in maximum prices except to the minimum extent required by law, with the exception of such readjustments in price relationships as would not increase the cost of living. The same order delegated to the Economic Stabilization Director authority to exercise the powers and duties conferred upon the President by the Stabilization Act and not otherwise delegated by the order, thus vesting in the Director the

HAS PRICE CONTROL HURT BUSINESS PROFITS ?

Shaded area taken by federal taxes
Black area-profits after taxes



**Corporation profits are
at an all-time peak**

power to make any discretionary price adjustments under the Stabilization Act which would increase the cost of living. Any such adjustment by the Director is made by issuance of his directive to the Price Administrator who issues an order effectuating the adjustment.

Section 7 (b) of the Stabilization Act provides that the provisions of the Emergency Price Control Act shall be applicable in the exercise of the functions delegated to the Price Administrator under the Stabilization Act, insofar as the two acts are not inconsistent with each other. Thus, any action with respect to prices taken by the Price Administrator under the Stabilization Act must meet the requirements prescribed for maximum prices in section 2 (a) of the Emergency Price Control Act as well as the collateral restrictions imposed on price regulations by the other provisions of section 2, including subsection (h), restricting changes in business practices.

Although the Stabilization Act applies only to "prices * * * affecting the cost of living," nevertheless, in the interest of consistent and nondiscriminatory administration, the Price Administrator applies the same standards to govern maximum prices not affecting the cost of living, and therefore not subject to the Stabilization Act, as he applies to prices which do affect the cost of living.

Since the period during which maximum prices have been in effect has been one of generally increasing costs and increasing pressures for price rises, the chief concern in adjusting maximum prices has been to determine when increases in such prices should be made.

The price increases allowed under the present policies may be classified into five groups:

1. Mandatory increases to keep prices generally fair and equitable.
2. Mandatory increases to reflect to producers the statutory minima for agricultural commodities.
3. Mandatory increases of a miscellaneous nature.
4. Discretionary increases to aid in the effective prosecution of the war.
5. Discretionary increases to correct gross inequities.

1. *Mandatory increases to keep prices generally fair and equitable.*—Of the increases authorized by the Price Administrator on the ground that they are required by mandatory provisions of the Emergency Price Control Act or the Stabilization Act, by far the most important, numerically, are those increases which are necessary if the ceilings in question are to continue to be generally fair and equitable. The so-called industry earnings standard is used for determining whether or not increases should be permitted for this purpose.

Under this standard, as a general rule, price increases are allowed to compensate for those cost increases which the industry cannot absorb without impairment of its normal peacetime earnings. As a guide for determining the extent to which price increases are required under this standard, the Administrator uses a representative peacetime period, usually the years 1936–39, the base period adopted by Congress for excess-profits taxes. Where this period is not fairly representative, the years included in the period are varied or other appropriate adjustments are made. If, during or subsequent to the year ended October 1, 1941, costs have increased more than gross income, then, to the extent that the industry's earnings, adjusted for changes in investment, provide a smaller return before Federal income and excess-profits taxes than the industry earned in the base period,

HAS PRICE CONTROL HURT SMALL BUSINESS ?

Type of Business	Percentage of Business Done by Small Independent stores	
	1939	1943
Food Stores	63.3%	67.2%
Eating and Drinking Establishments	91.4%	93.7%
Apparel Stores	69.6%	71.0%
General Merchandise	58.4%	60.2%

Under Price Control independent stores are more than holding their own against chains and mail order houses.

the Administrator considers an increase in the industry's maximum prices to be required by law.

Even though a price increase is not required under the industry earnings standard, an increase may be required under the so-called products standard which is used as a secondary pricing guide in the case of multiple-product industries. Under this standard, unless it had been the industry's practice to sell some of its products below cost, the Administrator considers himself required to increase the maximum price for any particular product sold by the industry, if its current maximum price should fail to cover the out-of-pocket costs incurred by the highest-cost firms which are not included in the industry's high-cost marginal fringe. Ordinarily an industry will be considered as a single-product industry even though the bulk of the product is produced by multiple-product firms if a substantial portion of the output is produced by single-product firms.

Taken together with the industry earnings standard, the product standard means that maximum prices in a multiple-product industry are, as a general rule to be deemed generally fair and equitable if the industry (1) is receiving over-all earnings on all its operations equaling or exceeding its peacetime earnings, and (2) is not, except for the highest-cost fringe of producers, incurring an out-of-pocket loss on any particular line or product.

2. *Mandatory increases to reflect to producers the statutory minima for agricultural commodities.*—The next important group of mandatory increases are those necessary to satisfy the requirements as to the price levels of agricultural commodities, and commodities processed in whole or substantial part therefrom, which are set forth in section 3 of the Stabilization Act. With respect to maximum prices for these commodities, the Administrator, in addition to meeting the other requirements of the acts, is obliged to satisfy four legal requirements and, with respect to agricultural commodities, his action must have the approval of the War Food Administrator. The four minima are the following:

(1) Parity price or a comparable price (with differentials for grade, season, and location);

(2) The highest price between January 1, 1941, and September 15, 1942 (with differentials for grade, season, and location) unless that price would constitute a "gross inequity";

(3) A higher price where, and to the extent, found necessary to increase production of agricultural commodities for war purposes; and

(4) A higher price where, and to the extent, found necessary to compensate for increases in farm costs subsequent to January 1, 1941, adequate weighting being given to farm labor.

The ceilings set at levels other than the farm producer's level must reflect the prices specified in the above list and allow a generally fair and equitable margin for processors. Disagreements between the Office of Price Administration and War Food Administration are resolved by the Economic Stabilization Director.

3. *Mandatory increases of a miscellaneous nature.*—There is a miscellaneous group of price increases, relatively few in number, which may be a necessary incident of compliance with other requirements of the statutes (such as the limitation upon pricing on the basis of grades) or with the basic constitutional mandate against arbitrary and capricious action.

HAS PRICE CONTROL HURT LABOR?

WEEKLY EARNINGS
Factory Workers



Earnings of Industrial Workers
have reached all time peaks
under Price Control.

4. *Increases to aid in the effective prosecution of the war.*—Such increases are not required under the law but are expressly made discretionary by the first section of the Stabilization Act. They fall into two principal categories. The first category consists of increases which are an unavoidable incident, often a temporary one, to a change to a more effective or workable method of control, as, for example, a change from a percentage mark-up ceiling to a specific dollars-and-cents ceiling. The second and more numerous category consists of increases which are necessary in order to remove price impediments to maximum production of commodities or services which are essential to the war program or to the maintenance of the civilian economy.

Where practicable, increases in this latter category are effected by granting adjustments to individual sellers so as to minimize the aggregate amount of the price increase. Authority for the use of individual adjustments is found in section 2 (c) of the Emergency Price Control Act. Such adjustments are practicable mainly in the field of manufacturing and processing, less often in the distributive trades. In addition to aiding in securing supplies that are essential for the war program or for civilian needs, individual adjustments help to keep in the market the supplies of low-price sellers so that consumers will not be forced to turn to higher-priced products. Where necessary in order to secure the required production, price increases may be made sufficient to cover the total cost of the highest-cost producer whose supply is essential.

5. *Increases to correct gross inequities.*—Since the statutes are construed as requiring all maximum prices to be generally fair and equitable, discretionary price increases to correct gross inequities are exceptional and do not lend themselves to classification. The major group consists of price adjustments for the relief of special hardship where they can be made consistently with the purposes of the statutes.

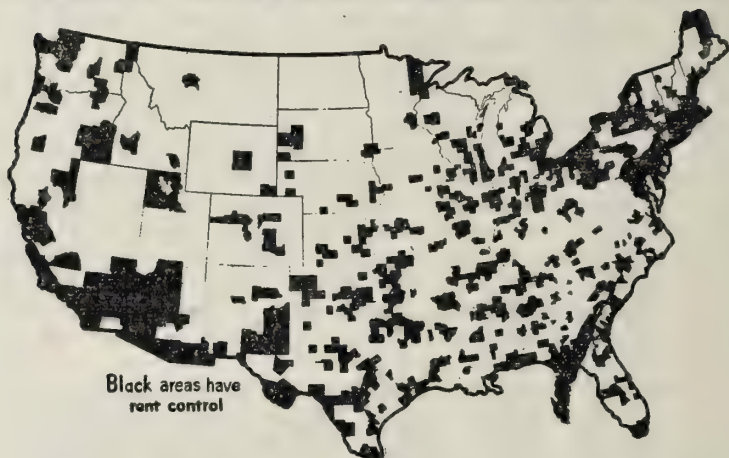
Cases of reductions in maximum prices are, of course, much less numerous than cases of increases. In the 3-month period September to November 1943, there were 123 general increases in maximum prices and 34 general price decreases. Forty-one of the increases and 18 of the decreases affected the cost of living. To the extent that necessary price increases can be partially offset by price reductions, the objective of the Stabilization Act to stabilize the cost of living as close as possible to the level of September 15, 1942 is promoted. Prices cannot be reduced below levels that are generally fair and equitable and should not be reduced where the effect would be injurious to essential supplies.

RENT CONTROL

The basic provisions for the control of rents are contained in section 2 (b) of the Emergency Price Control Act. Maximum rents are established by the issuance of regulations for particular defense-rental areas. Section 302 (d) of the act defines the term "defense-rental area" as the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of the act.

Section 2 (b) directs the Administrator to establish maximum rents which in his judgment "will be generally fair and equitable and will effectuate the purposes of this act." In addition, the Administrator

NO INCREASE IN AVERAGE RENT SINCE JULY, 1942



Since rent control was adopted there has been no increase in rents. Prior to July, 1942 they had increased 3.5 percent.

14,000,000
rented quarters are covered by
rent control.

(Rents contribute 18% to total Living Costs)

is directed to give due consideration to rents prevailing on or about April 1, 1941; or, if defense activities resulted or threatened to result in rent increases inconsistent with the purposes of the act on an earlier or later date, he is to consider rents prevailing on a date which did not reflect such conditions. However, he may not consider rents prevailing on a date earlier than April 1, 1940. He is to make adjustments for relevant factors of general applicability, including increases or decreases in property taxes and other costs.

At the present time rents are controlled in 351 areas throughout the United States. While some parts of the country are not under rent control, it does apply in the centers of war industry, localities containing military establishments, and other areas where rents have been affected by war activities. Some 14,000,000 rented dwelling units and more than 400,000 hotels and rooming houses in these areas are under regulation.

The Administrator has established maximum rents by use of the maximum rent date method, as contemplated by section 2 (b) of the act, by which rents are frozen as of a date selected for the particular area. In most areas the maximum rent date is March 1, 1942. However, in some areas where the effects of defense activities were felt earlier, a date in 1941 is used, 41 areas having an April 1, 1941, date, 12 areas a January 1, 1941, date, 11 areas a July 1, 1941, date and 3 areas an October 1, 1941, date. In a few instances a date later than March 1, 1942, has been used. But in no instance has April 1, 1940, been used, that being the earliest date permitted by section 2 (b) of the act.

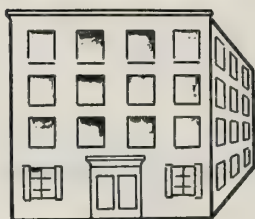
From September 1939 to June 1942, when rents first were placed under control, the rent index of the Bureau of Labor Statistics shows a rise of 5.3 percent. When rents were placed under control by the Office of Price Administration part of this increase was eliminated because of the use in some areas of a 1941 maximum rent date. Since the time when rents were first placed under control almost 2 years ago, the rent level has been held almost stable. This contrasts strikingly with the experience during and after World War I, when rents increased over 50 percent from April 1917 to December 1922. In effectively stabilizing rents and preventing inflationary increases, one of the major objectives of the Emergency Price Control Act has been accomplished.

The Deputy Administrator for Rent testified that, in order to determine whether maximum rents are generally fair and equitable, surveys are made of the actual experience of landlords in controlled areas. These surveys are made in order to compare the net operating position of landlords generally under rent control with their position during the pre-war years, 1939 and 1940. The most recent survey covering apartment houses in 25 cities shows that net operating income (before interest and depreciation) during the first year under rent control was approximately 27 percent greater than in 1939. A similar survey of small structures in 23 cities shows an increase of almost 45 percent over the same period. The charts submitted by the Office of Price Administration show a steady rise in net operating income since January 1940.

The Deputy Administrator for Rent pointed out that, although prices have increased on some items entering into operating costs,

LANDLORD INCOME UP UNDER RENT CONTROL

2080 APARTMENT HOUSES (*52,740 dwelling units*)



show

NET OPERATING INCOME*

UP 26.8%

1939 to June 30, 1943

9,994 SMALL BUILDINGS (*13,393 dwelling units*)



show

NET OPERATING INCOME*

UP 44.4%

1939 to June 30, 1943

Vacancies dropped from 8% to 1½% and redecoration and upkeep costs were sharply reduced in rent control areas.

** Before interest and depreciation*

the operating position of landlords generally has improved substantially, first, because there has been a marked decrease in vacancy loss, due to the increased demand for housing in congested war centers, and, second, because actual expenses have remained relatively stable, due to the elimination of many competitive expenditures that are unnecessary in wartime with the demand for housing far outstripping the supply. Vacancy loss dropped from 10 percent in 1939 to less than 2 percent in 1943 for apartment houses, and from 8 percent to slightly over 1 percent for small structures. Total expense for apartment houses has not increased appreciably since 1939 and that for small structures actually has decreased. General changes in the rate of vacancies is one of the relevant factors of general applicability which the Price Administrator may properly consider in determining whether maximum rents are generally fair and equitable.

Section 2 (c) of the present act authorizes the Price Administrator to provide in the rent regulations for individual adjustments, and provision for such adjustments has in fact been made. Some 730,000 separate petitions have been filed by landlords, and individual increases in maximum rents have been ordered in 350,000 cases. The Deputy Administrator for Rent pointed out that there have been 1,800,000 newly rented units, that is, dwelling units which were not rented on the maximum rent date applicable to the particular area. These units are rented of course in the inflationary market which has developed in the area since that date and it is necessary for the Office of Price Administration to review these rents. Individual rent reductions have been ordered in approximately 300,000 cases, most of which involve the renting of new units, referred to by the O. P. A. as "first rent" cases.

The Emergency Court of Appeals has described the maximum rent date method of controlling rents as one by which "rents are fixed at the levels which landlords and tenants have voluntarily agreed upon after free bargaining in a competitive market on a date prior to the time when defense activities have affected the housing market." [*Taylor v. Brown*, 137 F. (2d) 654]. It is recognized that it would be unfair to freeze all rents as of a given date, with no opportunity for individual adjustment. The rent regulations provide for individual adjustments where there are substantial changes in the housing accommodations or the services supplied after the maximum rent date. They make similar provisions in various classes of cases in which the rent on the decisive date was not the product of a normal economic bargain, for example, where the rent was low because of a "blood, personal, or other special relationship between the landlord and the tenant." However, the committee feels that present regulations do not make adequate provision for individual adjustments in special hardship cases, and it has been assured by the Administrator that an amendment to existing regulations will be issued promptly to make more adequate provision for adjustments in such cases.

RATIONING

The basic authority for rationing is contained in the act of June 28, 1940, as amended by the act of May 31, 1941, and the Second War.

Powers Act, 1942. This act gives rationing authority to the President. This authority has been delegated by the President to the War Food Administration with respect to food and to War Production Board with respect to other articles. In turn, when a commodity, important enough to be rationed, becomes so scarce that rationing is necessary, the War Production Board or the War Food Administration authorizes and directs the Office of Price Administration to ration it.

The purpose of rationing is, of course, to insure equitable distribution of important commodities which are so scarce that without rationing some people would get much more than their fair share and others would get much less. The War Production Board and the War Food Administration determine when a commodity is short enough to require rationing. They also determine how much shall be allocated for civilian use and how much of the total supply shall go for military, lend-lease, and other purposes. With respect to petroleum, the Petroleum Administrator for War makes determinations as to the times when and areas within which it should be rationed and the amounts which are available. It is the Office of Price Administration's job to see that the amount made available for civilian use is distributed fairly among those who need it in accordance with the nature of their needs.

If a commodity is very short and is not used by the entire community, a system of eligibility rationing is used. An example of this is tires, in which a person who wishes a tire is required to prove that he needs a tire. In addition, classifications of essentiality are established so that those persons whose activities are most important to the community get tires when there are not enough to supply all needs. In the case of gasoline, every automobile owner is given a basic ration. Those who need more for purposes vital to the war effort or public welfare are given gasoline in accordance with their needs. Those who need gasoline in order to earn a living or for other reasons are given gasoline to the extent that it is available after satisfying the requirements of the basic ration and the essential war needs.

Other commodities, such as shoes, which are used generally by the community, are rationed by giving everyone a specified ration. Those who can show special needs may get more than the ordinary ration by showing those needs, as in the case of children who wear out shoes more quickly than adults. When a number of items are rationed together (such as pork, veal, beef, etc., or processed foods) a point system is used to reflect differences in supply or demand of the various items.

Apart from the problem of who should get the rationed commodity and how much they should get, there is the problem of making sure that the rationed commodity goes to those people in those amounts. This is a problem of mechanics which has been met by requiring that the rationed commodity be transferred only against the surrender of ration currency. This ration currency flows from the consumer or other user to his supplier and in turn from the supplier, either directly or through wholesalers or other distributors, to the producer or importer of that commodity. The producer or importer makes reports to the Office of Price Administration as to the amount he produces or imports and surrenders to the Office of Price Administration the ration currency which he is required to collect.

In order to simplify the burden of handling ration currency, a system of ration banking is used, similar to money checking accounts.

The Office of Price Administration is presently rationing the following commodities: Tires, automobiles, bicycles, gasoline, fuel oil, stoves, sugar, processed foods, meats, fats and oils, cheese, canned fish, shoes, and rubber footwear. There is also a solid-fuel order covering the Pacific Northwest. In addition, coffee and typewriters were at one time rationed, but these articles have been removed from rationing. It is the policy of the Government to remove an article from rationing as soon as it is in sufficient supply to justify such an action. This policy has also been applied to items included in a point program and has been accomplished either by removing the foods from rationing or reducing the point values to zero. Recently, pursuant to this policy, frozen foods, most canned vegetables, lard, shortening, cooking and salad oils, pork, canned meat and fish, and many beef cuts were reduced to a zero point value.

Rationing, by securing orderly distribution, assures that, while the armed forces get what they need, the civilian supply is equitably distributed without queues, panic buying, disruption of public morale, or loss of working time by war workers. It also contributes to economic stabilization by preventing competition among buyers for the rationed commodities.

REVIEW PROCEDURE UNDER PRICE CONTROL ACT

The procedure established in sections 203 and 204 of the act for the formal administrative reconsideration and judicial review of price and rent regulations has been subject to considerable controversy. The act provides for the filing of a protest with the Price Administrator followed by judicial review in the Emergency Court of Appeals in the event that the protest is denied. The Emergency Court of Appeals is given exclusive jurisdiction, subject to review by the Supreme Court, to pass upon the validity of price and rent regulations or orders issued by the Administrator.

The reasons for the establishment of this procedure were set forth in the report of this committee accompanying the original bill. It was recognized that effective price control would be impossible if the issuance of regulations had to be preceded by elaborate formal hearings in every instance or if their operation and enforcement could be delayed until the final conclusion of litigation instituted for the purpose of challenging their validity. It was also recognized, however, that there should be adequate assurance of an opportunity to bring to the attention of the Administrator considerations which might not have been fully appreciated before the issuance of a regulation or changes in conditions which might have developed thereafter. The report of this committee also emphasized the necessity for a special court, such as the Emergency Court of Appeals, to review price and rent regulations. The report stated:

The Emergency Court is established in order to avoid the confusion that would result from conflicting decisions in different circuits on the same regulations. It will also permit the expeditious consideration and disposition of problems arising under the statute by a court familiar with its provisions and operation.

At the hearings before the committee on this bill the Office of Price Administration presented certain data with respect to the operation of the protest procedure provided for in section 203 of the act.

According to these data, from January 30, 1942, the effective date of the act, to March 31, 1944, a total of 3,608 protests were filed. In 745 of these cases formal orders granting relief in whole or in part were issued. In another 568 cases the protests were subsequently withdrawn, in most cases for the reason that subsequent changes in the regulation were satisfactory to the protestant. Of the remaining protests, 1,918 were denied or dismissed and 377 were pending as of March 31. While this record indicates that the protest procedure has been widely used and has operated effectively in obtaining reconsideration of regulations in the light of new objections or changed circumstances, there are nevertheless many protestants who feel that their protests have not been given adequate consideration. In order to remove the ground for these complaints, the committee recommends certain changes in section 203 of the act relating to the administrative consideration of protests. These changes are discussed in the explanation of the bill contained in this report.

Section 203 (a) of the act provides that a protest may be filed within 60 days after the issuance of a regulation or order, except that a protest based upon grounds arising thereafter may be filed after the expiration of the 60-day period. Our attention was called to the fact that the Emergency Court of Appeals, in *Schanzer v. Bowles*, has held that in the event that a protest is based upon grounds arising after the 60-day period a protest may be filed at any time, and the applicable regulation now so provides. A protest based, for example, upon an increase in costs which occurred after the issuance of a regulation, or upon any other aspect of hardship which developed after the issuance of the regulation, may be filed at any time that the protestant chooses to file it. There have been some suggestions that the 60-day limitation upon the filing of a protest should be eliminated entirely. It has also been pointed out, however, that it is very desirable from the viewpoint of industry as well as from the viewpoint of the Government that legal objections to the basic validity of regulations should be raised and settled as quickly as possible so as to achieve a maximum of certainty and stability in price control. In the light of these considerations and the existing provision permitting the filing of protests based on new grounds at any time after such grounds arise, the committee believes that it would be undesirable to eliminate entirely the 60-day limitation now provided for in the act. However, the committee does recommend some modification of this provision.

Section 203 (a) of the act provides that within a reasonable time after the filing of any protest but in no event more than 30 days after such filing or 90 days after the issuance of the protested regulation or order, whichever occurs later, the Administrator shall either grant or deny such protest, in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. Judicial review in the Emergency Court of Appeals may not be had until the protest is finally disposed of by the Administrator. Many persons have complained of undue delay by the Administrator in acting upon protests, and the Administrator has admitted that in some cases these complaints were not without justification. In order to prevent such delays in the future, it has been suggested that this provision be amended so as to place a definite limitation on the time within which the Administrator must grant or deny a protest if it is noticed for hearing or an opportunity to present further evidence is

provided. The great difficulty in this proposal is that a reasonable time in one case is a totally unreasonable time in another case. This is an instance where good administration requires flexibility. Moreover, the Emergency Court of Appeals has held that it has authority to issue a mandamus order requiring the Administrator finally to dispose of a protest if it is shown that he has unduly delayed in its disposition. In view of the great variety of protest proceedings and the difficulty of establishing a definite time limitation which will be appropriate in every case, we believe that a flexible limitation of the sort embodied in the rule enunciated by the Emergency Court of Appeals is more satisfactory than any specific time limitation. Such a rule is expressly written into the law by the present bill.

Section 204 (c) of the act creates the Emergency Court of Appeals which consists of three or more judges of the United States district courts and circuit courts of appeals, designated by the Chief Justice of the United States. This court is given all the powers of the Federal district courts except that it does not have the power to issue temporary restraining orders or interlocutory decrees staying or restraining the effectiveness of a regulation or order before the final decision as to its validity. The court is authorized to hold hearings at such places as it may specify.

During the hearings, the Chief Judge of the Emergency Court of Appeals, Judge Albert Maris of the Third Circuit Court of Appeals, testified with respect to the general operations of the court. He informed the committee that, up to April 17, 1944, 138 complaints had been filed with the court, 40 of which were then pending. Judge Maris also presented figures as to the time taken in the disposition of cases which indicated that cases had been disposed of as expeditiously as could reasonably be expected. He also informed the committee that the court had adopted rules making it clear that any complainant could request the court to hold its hearings at a place that was convenient for the complainant, that the court had held hearings at various places throughout the country, and that it had never refused a request for a hearing outside of Washington.

Section 204 (d) of the act provides that the Emergency Court of Appeals and the Supreme Court, upon review of the decisions of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2 or any price schedule effective under section 206. The constitutional validity of this provision has been sustained by the Supreme Court in the cases of *Yakus v. United States* and *Bowles v. Willingham*. The considerations underlying the establishment of the Emergency Court of Appeals with exclusive jurisdiction to determine the validity of price and rent regulations were summarized by Chief Justice Stone in the *Yakus case* in the following language:

In considering these asserted hardships, it is appropriate to take into account the purposes of the Act and the circumstances attending its enactment and application as a war-time emergency measure. The Act was adopted January 30, 1942, shortly after our declaration of war against Germany and Japan, when it was common knowledge, as is emphasized by the legislative history of the Act, that there was grave danger of war-time inflation and the disorganization of our economy from excessive price rises. Congress was under pressing necessity of meeting this danger by a practicable and expeditious means which would operate with such promptness, regularity and consistency as would minimize the sudden development of commodity price disparities, accentuated by commodity shortages occasioned by the war.

Inflation is accelerated and its consequences aggravated by price disparities not based on geographic or other relevant differentials. The harm resulting from delayed or unequal price control is beyond repair. And one of the problems involved in the prevention of inflation by establishment of a nation-wide system of price control is the disorganization which would result if enforcement of price orders were delayed or sporadic or were unequal or conflicting in different parts of the country. These evils might well arise if regulations with respect to which there was full opportunity for administrative revision were to be made ineffective by injunction or stay of their enforcement in advance of such revision or of final determination of their validity.

Congress, in enacting the Emergency Price Control Act, was familiar with the consistent history of delay in utility rate cases. It had in mind the dangers to price control as a preventive of inflation if the validity and effectiveness of prescribed maximum prices were to be subject to the exigencies and delays of litigation originating in eighty-five district courts and continued by separate appeals through eleven separate courts of appeals to this Court, to say nothing of litigation conducted in state courts. See Sen. Rep. No. 931, 77th Cong., 2d sess., pp. 23-5.

The committee heard various proposals for amendment of the exclusive jurisdiction provisions of the act so as to permit the validity of regulations to be passed upon by the various district courts throughout the country. We believe that in many cases these proposals were advanced by those under the misapprehension that it was necessary for a complainant to come to Washington in order to obtain a hearing before the Emergency Court of Appeals. The fact that the Emergency Court of Appeals has made itself available for hearings at places convenient to the complainants throughout the country removes any basis for criticisms of this character. It also seems clear that the necessity for consistency and continuity in price control remains as compelling today as when the statute was first enacted and makes it imperative that the provisions for exclusive jurisdiction of the Emergency Court of Appeals should be continued in effect.

However, the committee feels that some change should be made in the present provisions in order to give to defendants in criminal cases, who are charged with the violation of a regulation or order, a more adequate opportunity to question the validity of such regulation or order. Provisions for this purpose are contained in the reported bill and are further discussed in the explanation of the bill in this report.

ENFORCEMENT OF PRICE CONTROL AND RATIONING

The enforcement of Office of Price Administration regulations is undoubtedly one of the greatest tasks that has ever faced any Government agency. As Mr. Bowles pointed out in his testimony before the committee, Office of Price Administration regulations control prices in 3,000,000 business establishments and 14,000,000 rental units, and involve 132,000,000 people. In addition the regulations are entirely new and strange to most businessmen and most members of the public. Some of them, reflecting the complexity of the economic structure of the country, are themselves necessarily complex. And the tremendous economic forces engendered by the war which are pressing against price ceilings and rationing controls are growing more intense every day.

The task of obtaining adherence to these regulations cannot be achieved through police measures alone. On the contrary, effective compliance must be based upon full support by the public and voluntary acceptance by the great majority of industry members. The

Office of Price Administration has devoted much of its energy to promoting voluntary compliance. This has involved information programs, education, working with trade groups, and similar measures. In this way it has endeavored—with a high degree of success—to bring into compliance most of industry and lay the basis for effective enforcement action against the relatively few who violate.

In the retail price field the Office of Price Administration has gone even further in securing voluntary compliance. Here it has created a system of price panels—each war price and rationing board setting up one or more price panels from its membership—who are charged with responsibility for the education of retailers, distribution of material and information, checking on violations, and persuading retailers through friendly measures to comply with the regulations. These price panels have been assisted by price-panel assistants, who make many of the contacts with the retail stores and help generally in carrying out the program. Under this price panel system only those repeated or flagrant violations, which the price panel finds itself unable to adjust, are referred to the enforcement staff for enforcement action.

Despite all efforts to secure voluntary compliance there are bound to be some who will violate the regulations. This minority group must be dealt with promptly and effectively through use of the enforcement procedures of the act. Violation, even by a small proportion of an industry, can quickly spread and if not immediately checked can quickly break down price control. To allow such violation to persist not only deprives the public and the Government of the benefits of price control but is grossly unfair to the honest businessman or honest citizen who strives to comply.

The Office of Price Administration has made strenuous efforts to curb these violators and to smash black-market operations. In the fall of 1943 Administrator Bowles created a separate enforcement department and assigned to it full responsibility for enforcement. The enforcement department has been handicapped by having to operate with a somewhat limited staff. Not more than 2,800 investigators and 480 attorneys have been available for enforcement operations at any time. This is an average of less than 1 investigator per county throughout the entire country. Furthermore, the enforcement staff has been embarrassed by lack of authority to make purchases in connection with enforcement activity—an authority possessed as a matter of course by other Federal and State law-enforcing agencies.

In spite of these handicaps the Office of Price Administration has established a record of enforcement activity against black-market operators which the committee considers impressive. During the year 1943 its enforcement staff made 650,000 investigations. In the course of these investigations, 281,000 violations were discovered. One hundred and sixty-nine thousand of these violations were disposed of by compliance conferences or warning letters. Some 40,641 cases were settled or otherwise disposed of without court proceedings. In 8,954 cases enforcement proceedings were brought in court. Out of these court cases the Office of Price Administration was successful in 96.3 percent.

THE OPA ORGANIZATION

Serving every local community in America

325.000

VOLUNTEER WORKERS

EMPLOYED WHEN RATION BOOKS ARE ISSUED

106.000

VOLUNTEER WORKERS

REGULARLY SERVING
IN *LOCAL BOARD* OPERATIONS

55,342

TOTAL PAID
EMPLOYEES

51,718

WORKING OUT IN
THE STATES

34,946

WORKING IN
LOCAL COMMUNITIES

3,624

WORKING IN
WASHINGTON

"Democracy in action"

On the whole there has been a reasonably satisfactory degree of compliance with the regulations. This is evident from the fact that the cost of living has been effectively stabilized during the past year. In general the procedures and techniques of broad-scale enforcement operations have been well worked out and successfully applied.

Nevertheless, serious areas of noncompliance remain. The growth in counterfeiting of ration currency and black-market operations in various other fields are clear indications that much remains to be done. It is plain that the enforcement problem is one of the critical problems—perhaps the single most critical—facing the Office of Price Administration today. The balance between effective compliance and a degree of noncompliance which would nullify all price control is a narrow and precarious one. The committee believes that there can be no weakening of present enforcement sanctions in the act if satisfactory enforcement is to be achieved.

VOLUNTEER WORKERS AND PUBLIC COOPERATION

The success which has been attained in the price-control and rationing programs has been in large measure due to the efforts of volunteer workers serving on the local war price and rationing boards. The operation of these programs has required an amount of detailed administrative work in local communities far in excess of that ever before undertaken by any Federal agency. This work could never have been accomplished without the unselfish efforts of thousands of public-spirited and patriotic citizens who have voluntarily devoted to it a great deal of their time, thought, and energy.

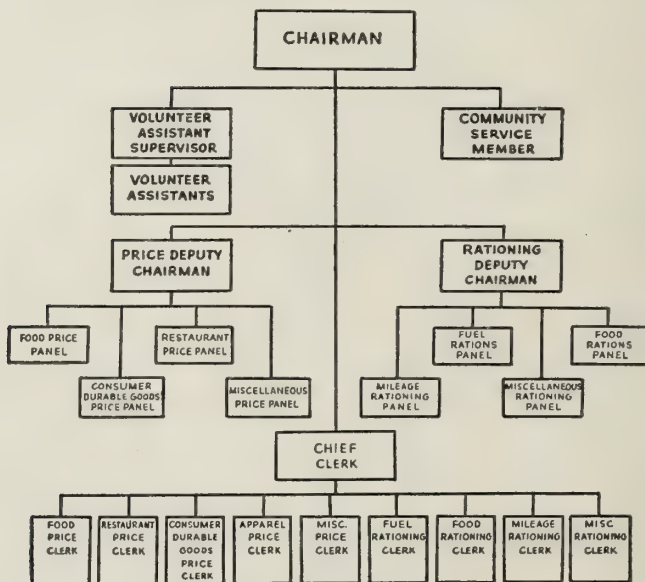
There are 5,500 local price and rationing boards in the country, with 86,000 members. All of these members serve without compensation. In addition to the board members, there are over 100,000 volunteer assistants who serve regularly with these boards. Although they receive no compensation, many of these volunteer assistants devote substantially their entire time to the work of the boards. The work of these board members and other volunteers is not easy and is not always pleasant. Particularly during the early days of the rationing programs, there were many people who did not appreciate their necessity or were unwilling to suffer the inconvenience which they entailed. These people frequently complained to and about their local war price and rationing boards. It has not been easy for board members to deny scarce commodities to their friends and neighbors, nor has it been easy for board members and other volunteers to deal with irate members of the public. Nevertheless, they have stuck to their jobs and are entitled to the highest commendation for the work they have done.

In addition to the regular volunteer workers, many other volunteers have assisted with some of the big jobs. In issuing new ration books, thousands of school teachers, housewives, and others have volunteered their services, so that at times the total number of volunteers has reached more than 325,000. This is a splendid example of community action which has made possible the carrying out of essential wartime programs.

GRASS ROOTS FOUNDATION OF OPA SERVICE

5,408 War Price and
Rationing Boards

HOW A TYPICAL CITY LOCAL BOARD IS ORGANIZED



For the first year or more, the work of the local boards was important chiefly in the rationing programs. Handling these programs still constitutes the greatest part of the work actually performed by the local boards. However, as the local boards have gained in experience, they have become familiar with the problems involved in rationing and have this work comparatively well organized.

Since the spring of 1943 when the community food price program was started, the local war price and rationing boards have played an increasingly important part in the enforcement of price control. Each local board has a price panel consisting of some of the members of the board. The members of these panels and the assistants who work with them inform merchants of price regulations and check up on compliance with requirements relating to posting and observance of ceiling prices. These price panels are becoming increasingly active. In March of 1944 prices were checked in 476,000 stores throughout the country. Their work is of great importance to the stabilization program, as price control is of little value unless it is effectively enforced.

People are becoming more aware of the importance of price control and the necessity for compliance with ceiling prices. Many labor organizations, civic organizations, and trade associations are assisting the program by the work of their members as volunteers and by the publication of information explaining and urging compliance with price-control measures. It is essential that the people should understand the necessity for and benefits of price control if it is to be effectively maintained, for it can succeed only if the people want it to succeed.

The public generally has accepted and supported the price-control and rationing programs. That there have been exceptions to this rule is known to everyone. The people who have willfully failed to abide by the rules have been cheating their neighbors and the men in the armed forces. The committee believes they are a small minority. The success which the programs have attained indicates that the rules are generally complied with.

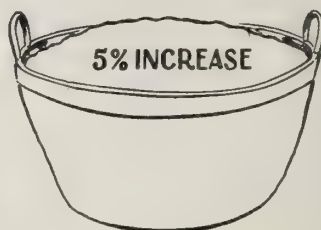
Recognition should be given to the part played by businessmen in making these programs successful. Their compliance with regulations is necessary to the program. This compliance cannot be effectively achieved unless it is voluntarily given, and the committee believes that it has been voluntarily given by the large majority of businessmen. The regulations have placed upon them unusual and heavy burdens. Thus their work has been increased at a time when manpower shortages were acute. The handling of ration coupons has in itself been a tremendous task for retail merchants. While they have at times complained about details of the program, they have worked earnestly to help to make it succeed, and should be given great credit for their efforts.

WAR FOOD PROGRAM

By Executive Order 9322, of March 26, 1943, the President consolidated the Food Production Administration (except the Farm Credit Administration), the Food Distribution Administration, the

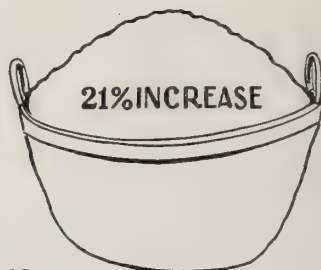
FARM PRODUCTION UP 21%

In World War I
farm production
increased 5%



1914-1918

In World War II
farm production
has increased 21%



1939-1943

Food production was at an all time high in
1943

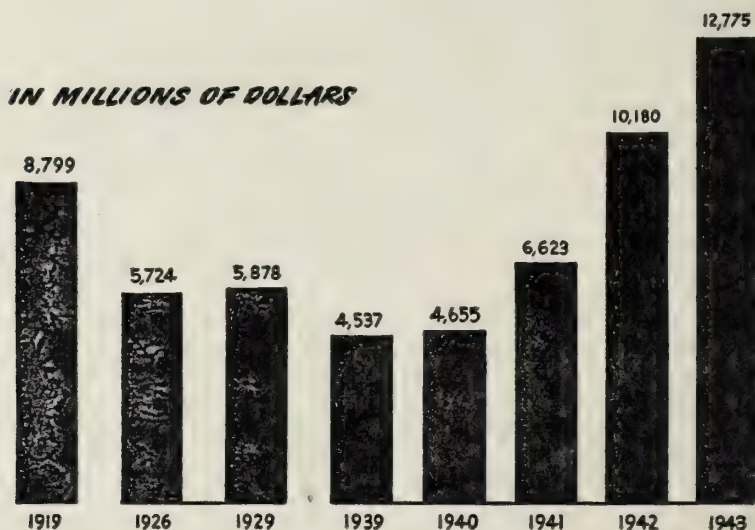
Commodity Credit Corporation, and the Extension Service into an Administration of Food Production and Distribution, to be under the direction and supervision of an Administrator, directly responsible to the President. On April 19, 1943, by Executive Order 9334, the name of the new Administration was changed to War Food Administration.

The War Food Administrator determines the direct and indirect military, other governmental, civilian, and foreign requirements for human and animal food, and for food used industrially; formulates and implements a program that will supply food adequate to meet the requirements; allocates the Nation's farm production resources as needed; assigns priorities and makes allocations of food for all uses; insures the efficient and proper distribution of the available food supply; and makes recommendations to the Chairman of the War Production Board covering the quantities and types of nonfood materials, supplies, and equipment required to carry out the program of the War Food Administration. The Administrator also determines the need and amount of food available for civilian rationing, exercising his priorities and allocation powers in this connection through the Office of Price Administration. The War Food Administrator has full responsibility in the field of agricultural labor. In performing his functions, the Administrator has utilized very largely agencies and personnel which were already within the Department of Agriculture.

The production of an adequate supply of food is, of course, essential to the prosecution of the war and the maintenance of our civilian population. In the production of food since the war began, farmers have been beset with many difficulties, such as lack of machinery and fertilizer, manpower shortages, and increasing costs. Despite these difficulties, food production in 1943 was 32 percent greater than the 5-year pre-war average. It was 5 percent greater than in 1942. As a result of this production, our consumers have had somewhat more food per capita than pre-war, even though about one-fourth of that production is being used for the armed services and for export.

This increased production has aided in maintaining food prices for consumers at reasonable levels. It is important to the stabilization program that food prices to consumers should be kept at reasonable levels, as the cost of food represents about 29 percent of all consumer expenditures and about 41 percent of the cost of living of wage earners and lower salaried workers in representative large cities. An adequate supply and reasonable price levels to consumers cannot be maintained unless prices to farmers are high enough to permit them to produce without a loss. Recognizing this fact and the fact that the farm industry was in a depressed condition relatively unfavorable as compared with the rest of our economy at the beginning of the war, the Congress placed certain floors under the maximum prices which might be fixed for agricultural commodities. By April 1943 most farm prices had reached the floors fixed for them, and since that time farm prices have remained relatively stable.

HAS PRICE CONTROL HURT FARMERS ?



**NET INCOME OF FARM OPERATORS
HAS REACHED ALL-TIME HIGHS IN
PRICE CONTROL YEARS .**

Property taxes, farm labor costs and
all other operating costs are deducted
in calculating net farm operator income.

TABLE 5.—*Food expenditures compared to total income payments, income payments after income taxes (disposable income), and total consumer expenditures for goods and services*

[Annually, 1929-43]

Year	Total income payments ¹	Disposable income ¹	Total consumer expenditures ¹	Total food expenditures ²	Food expenditures as a percentage of—		
					Income payments	Disposable income	Consumer expenditures
	<i>Billions of dollars</i>	<i>Billions of dollars</i>	<i>Billions of dollars</i>	<i>Billions of dollars</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1929.....	82.6	79.6	70.8	18.9	22.9	23.7	26.7
1930.....	73.3	70.7	64.9	17.5	23.9	24.8	27.0
1931.....	62.0	59.6	54.2	14.8	23.9	24.8	27.3
1932.....	47.5	45.6	43.0	11.7	24.6	25.7	27.2
1933.....	46.3	44.5	42.4	11.3	24.4	25.4	26.6
1934.....	52.9	51.0	47.7	12.6	23.8	24.7	26.4
1935.....	58.6	56.3	52.2	13.3	22.7	23.6	25.5
1936.....	68.1	65.2	59.1	14.5	21.3	22.2	24.5
1937.....	72.3	69.2	62.5	15.3	21.2	22.1	24.5
1938.....	66.2	62.9	58.5	14.6	22.1	23.2	25.0
1939.....	70.8	67.7	61.7	15.0	21.2	22.2	24.3
1940.....	76.5	73.2	65.7	15.8	20.7	21.6	24.0
1941.....	92.2	88.2	74.6	18.4	20.0	20.9	24.7
1942.....	115.5	108.8	82.0	22.9	19.8	21.0	27.9
1943.....	141.9	124.1	90.5	26.2	18.5	21.1	29.0

¹ 1929-33, Survey of Current Business, May 1942; 1939-42, Survey of Current Business, August 1943; 1943, preliminary estimates of the Bureau of Foreign and Domestic Commerce.

² Excluding alcoholic beverages. 1929 and 1933, Domestic Economic Developments (Weekly Report to the Secretary of Commerce) Apr. 9, 1943. Other years are estimates of the Bureau of Foreign and Domestic Commerce. 1943 figure is preliminary. Estimates are not adjusted to the Bureau's revised retail sales series.

Although farm prices have been stabilized for the past year and the cost of food to consumers has been held at reasonable levels, increases in farm prices and increased production since 1939 have increased farm income to record levels. The net income of farm operators—income after deducting operating expenses including wages, taxes, and interest—is estimated (including the value of changes in inventories) at about \$12,775,000,000 for 1943, compared with \$10,180,000,000 for the year before, and \$4,875,000,000 for the 5 pre-war years 1935-39. While this is a relatively large increase over farm income for the pre-war years, it is still true that the average per capita income of farmers in 1943 was well below that of nonfarmers.

TABLE 6.—Prices received by farmers at selected dates, and percentage-changes index and principal commodities, seasonally adjusted

Commodity	Unit	Prices received by farmers (adjusted for seasonal variation)					Parity price	Price adjusted as percent of parity	Percentage change to April 1944 from		
		Aug. 15, 1939	Jan. 15, 1941	Sept. 15, 1942	Apr. 15, 1943	Apr. 15, 1944			August 1939	January 1941	April 1943
Prices received index, all farm products											
Wheat.....	Bushel	89	107	163	197	196	1170	2 115	120.2	83.2	-0.5
Corn.....	Bushel	\$0.568	\$0.713	\$1.060	\$1.190	\$1.430	\$1.50	95	151.8	100.6	20.2
Oats.....	Bushel	.409	.607	.750	1.018	1.17	1.09	107	186.1	92.8	14.9
Rye.....	Bushel	.276	.325	.462	.756	.86	1.678	112	173.9	132.6	30.1
Barley.....	Bushel	.355	.415	.578	.742	1.07	1.05	102	201.4	157.8	44.2
Rye.....	Bushel	.357	.425	.585	.683	1.10	1.22	190	203.1	153.9	61.1
Rice.....	Bushel	.601	.902	1.638	1.813	1.86	1.28	135	203.5	103.2	2.6
Cotton.....	Pound	.0853	.0967	1.1829	2.005	2.016	21.08	196	136.3	103.3	6.5
Cottonseed.....	Ton	17.13	24.71	47.42	43.91	50.24	38.30	131	193.3	103.3	14.4
Apples.....	Bushel	.75	.91	1.42	1.95	2.88	1.63	172	234.9	216.5	47.7
Oranges, all.....	Box	.67	1.06	1.39	2.09	2.26	1.97	115	237.3	113.2	8.1
Lemons, California.....	Box	.97	1.34	1.86	1.69	1.56	2.20	77	74.2	26.1	-9.1
Grapefruit, all.....	Box	.41	1.34	1.43	1.29	1.56	88	177	230.5	353.8	20.9
Milk, wholesale.....	Hundredweight	1.71	1.89	2.61	3.25	3.42	4 2.35	134	100.0	81.0	3.2
Milk, retail.....	Quart	.103	.103	.118	.123	.132	.116	113	23.2	23.2	3.1
Butter.....	Pound	.242	.288	.374	.447	.512	n. a.	n. a.	81.8	52.8	-1.6
Butterfat.....	Pound	.236	.299	.433	.513	.512	.443	116	116.9	71.2	-1.2
Chickens.....	Dozen	.128	.143	.200	.236	.227	.194	117	77.3	53.7	-3.8
Eggs.....	Dozen	.182	.205	.304	.411	.330	.430	110	81.3	61.0	-19.7
Cattle.....	Hundredweight	6.68	8.58	11.00	12.56	11.69	9.21	127	75.0	36.2	-6.9
Calves.....	Hundredweight	8.21	9.60	12.44	14.18	13.16	11.50	114	60.3	37.1	-7.2
Sheep.....	Hundredweight	3.82	4.42	5.81	5.63	6.29	7.70	82	64.7	42.3	11.7
Lambs.....	Hundredweight	7.54	8.64	12.41	13.04	12.78	10.00	123	69.5	47.9	-2.0
Hogs.....	Hundredweight	4.95	7.93	12.34	14.34	13.00	12.40	105	162.6	63.9	-9.3
Potatoes.....	Bushel	.611	.565	1.100	1.63	1.34	1.22	110	119.3	137.2	-17.8
Sweet potatoes.....	Bushel	.746	.980	1.140	1.718	2.20	1.49	148	194.9	124.5	28.1
Tobacco, all.....	Pound	.142	.136	.323	.258	.384	n. a.	n. a.	170.4	182.4	43.8
Peanuts.....	Pound	.0327	.0345	.0556	.0890	.0743	.0316	91	127.2	115.4	9.3
Wool.....	Pound	.222	.309	.401	.427	.403	.311	130	81.5	30.4	-5.6
Flaxseed.....	Bushel	1.39	1.50	2.31	2.91	2.78	2.87	97	103.0	85.3	-4.5
Beans, dry edible.....	Hundredweight	2.53	2.84	4.71	5.53	6.12	5.73	107	141.9	115.5	10.7
Hay, all.....	Ton	7.01	7.67	9.26	12.25	15.74	20.20	78	124.5	105.2	28.5

¹ Index of prices paid for commodities, interest, and taxes.² Parity ratio.

Source: U. S. Department of Agriculture and Office of Price Administration.

³ Unadjusted.⁴ Adjusted for seasonal variation.

Support prices for farm products are an integral part of the war-food program and have played a large part in inducing the large production of agricultural commodities. Generally announced in advance of planting time, they not only encourage the necessary total production but the relative prices for the various products can be established so as to encourage the most desirable pattern of production. Support prices have undoubtedly helped to stabilize the price of farm products, and the committee regards their use as a most desirable method of maintaining both production and stable prices. However, there have been instances when some farmers have been unable to obtain the announced prices for their commodities which were promised to them. A recent example is eggs, which numerous farmers had to sell at considerably below the support level. In the act of February 28, 1944, extending the life of the Commodity Credit Corporation, the Congress reaffirmed its purpose that the Government should completely fulfill all of its commitments to farmers under support price programs. While the committee recognizes the administrative difficulties involved, it earnestly hopes that, with the benefit of the present administrative experience, the War Food Administrator will be able to carry out fully all commitments made to farmers for the purpose of getting them to increase production.

TABLE 7.—*Commodities included in the 1944 support-price program*

Barley	Rice ²
Beans, blackeye	Rye
Beans, dry edible ¹	Seeds, hay and pasture (39 varieties)
Butterfat ^{1 3}	Seeds, vegetable:
Chickens (excluding under 3 pounds and broilers) ¹	Beet
Corn ²	Cabbage
Cotton:	Carrot
American-Egyptian ¹	Onion
Sea Island	Turnip
Upland ²	Rutabaga
Eggs ¹	Seeds, winter cover crop:
Flaxseed for oil ¹	Common vetch
Fruits, canning:	Common ryegrass
Peaches	Crimson clover
Pears	Hairy vetch
Fruits, dried:	Soybeans for oil ¹
Apples	Sugar beets
Apricots	Sugarcane, Louisiana
Peaches	Sweetpotatoes, cured ¹
Pears	Tobacco ²
Prunes	Turkeys ¹
Raisins	Turpentine and rosin
Grain sorghums	Vegetables, canning:
Hemp	Beans, lima
Hogs ¹	Beans, snap
Milk ^{1 3}	Beets
Peanuts for oil ¹	Carrots
Peanuts for edible purposes ²	Corn, sweet
Peas, blackeye	Peas, green
Peas, dry smooth ¹	Spinach
Peas, dry wrinkled	Tomatoes
Potatoes ¹	Wheat ²
	Wool

¹ Nonbasic commodities which will be supported, if funds are available, for the duration of the war and for 2 years after the war at a minimum of 90 percent of parity or comparable price.

² Basic commodities for which price-supporting loans are mandatory for the duration of the war and 2 years thereafter.

³ Support prices include purchase of butter, cheese, skim milk powder, other manufactured products.

WAGE AND SALARY STABILIZATION

It became clear as the war progressed that stabilization in the American economy could not be achieved unless wage and salary rates were subject to comprehensive control. Accordingly, the Stabilization Act of October 2, 1942, provided in part as follows:

in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities * * *.

On October 3, 1942, the President, pursuant to this act of Congress, issued Executive Order No. 9250 which, among other things, placed upon the National War Labor Board the responsibility of passing upon all applications for approval of voluntary or agreed upon increases or decreases in wages. The National War Labor Board had been established on January 12, 1942, by Executive Order No. 9017, for the purpose of "adjusting and settling labor disputes which might interrupt work which contributes to the effective prosecution of the war." In the process of settling labor disputes, the Board had developed certain criteria for resolving disputes over wages. Thus, the Board was able to bring to its new function a body of accumulated experience.

The National War Labor Board does not exercise jurisdiction over all wages and salaries. The Director of Economic Stabilization has delegated to the Commissioner of Internal Revenue authority over all salaries in excess of \$5,000 per annum and over salaries of less than \$5,000 per annum paid to executive, administrative, and professional employees not represented by labor organizations. Moreover, the wages of agricultural labor, and salaries of agricultural labor not in excess of \$5,000 per annum are subject, by regulation of the Economic Stabilization Director, to the jurisdiction of the War Food Administrator. Finally, Executive Order No. 9250 excluded wage and salary adjustments for employees subject to the Railway Labor Act from the Board's authority; adjustments for such employees were made subject to the National Railway Panel by Executive Order No. 9299.

In terms of employees subject to its jurisdiction, the National War Labor Board is by far the most important agency charged with the responsibility of maintaining stability in the wage structure of the American economy. The work of this agency was examined at considerable length in the hearings before the committee.

NATIONAL WAR LABOR BOARD

The wages and salaries of some thirty million employees are subject to control by the National War Labor Board. Hundreds of thousands of establishments are affected by the wage stabilization program as administered by the Board. The Stabilization Act of October 2, 1942, placed upon the Board the task of achieving stability in the wage structure of American industry and of providing an orderly procedure for the correction of wage inequities, the persistence of which might interfere with war production. The Stabilization Act recognizes the

necessity for a measure of flexibility in the administration of the wage stabilization program.

The National War Labor Board has a tripartite composition. Employers, employees, and the public are equally represented on the Board. Evidence before the committee suggested that the administration of the wage stabilization program would be far more difficult were it not for the fact that employers and employees know that their interests have direct representation on the Board.

Shortly after becoming responsible for general wage stabilization, the Board decentralized its activities. Twelve tripartite regional war labor boards were established in representative centers of industrial activity. In organizational structure the 12 regional boards were patterned after the National Board in Washington. In addition, a number of industry commissions and panels have been created to deal with problems peculiar to particular industries.

Also at an early stage in the wage stabilization program the Board issued certain general orders providing for exemptions in cases where wage adjustments had no critical relationship to the stabilization objectives. Thus, employers of not more than eight employees are permitted by General Order No. 4 to make wage and salary adjustments without Board approval. The Board has removed this exemption in a number of instances in which unrestricted wage adjustments by small employers were having unstabilizing effects in a particular industry, occupation, or area. Under certain circumstances and within specified limits, the Board's General Order No. 31 permits employers to make wage adjustments to individual employees for merit, length of service, or promotion without Board approval. These and certain other exemptions of lesser importance appear to have lightened the administrative problem of the Board materially without adverse effect on the stabilization program.

The act of October 2, 1942, provided that wage and salary adjustments could be made to "aid in the effective prosecution of the war or to correct gross inequities. * * *". Thus, the complete freezing of wage and salary rates was not contemplated. Scope was provided for the granting of necessary selective wage adjustments within the framework of stabilization policy. At hearings before this committee the wage policy developed by the War Labor Board was fully explored.

STANDARDS FOR WAGE ADJUSTMENTS

Under the policies now in effect, the Board now has the responsibility of disapproving any increases in the wages or salaries subject to its jurisdiction, except increases—

1. Within the Little Steel formula.
2. To the minimum sound and tested going rate of comparable labor in similar plants in a particular labor-market area.
3. If the critical needs of war production make such an adjustment imperative, to a point between the minimum and maximum going rate for comparable labor in similar plants in the labor-market area.
4. Within interrelated job classifications to the minimum extent necessary for maintaining productive efficiency where other permissible adjustments have been made.

5. To correct substandards of living.

6. In the form of promotions, reclassifications, and merit increases or the like if production costs or prices are not increased.

1. The most widely known aspect of the Board's wage policy is embodied in the Little Steel formula. This principle limits general wage-rate increases based upon changes in the cost of living to 15 percent over the rates of January 1, 1941. The Little Steel formula, which is embodied in Executive Order 9328 (April 8, 1943), has permitted the Board to make minimum general increases to groups of employees who had not received the 15-percent adjustment in their rates by the time the stabilization program became effective. At the same time, the Little Steel formula serves as a firm limitation upon wage-rate increases based upon the changes in the cost of living.

It is significant to note the manner in which the Little Steel formula has been applied. It is applied not to the wage rates of individual employees but to the average rates of all employees within an industry, a plant, or a collective-bargaining unit. Each employee consequently receives the same cents-per-hour increase, thus preserving the same rate relationships, but lower-paid employees receive percentage-wise a substantially larger increase than do higher-paid employees.

Adjustments decided on the basis of the Little Steel formula have declined decisively in importance. In December 1943, only 6.2 percent of the voluntary requests for wage-rate adjustments involved principally the Little Steel formula as compared with 36.5 percent in May 1943. This fact, of course, testifies to the importance of the Little Steel formula in providing a limit to general wage-rate advances.

2. A directive issued by the Director of Economic Stabilization on May 12, 1943, provided the Board with objective criteria for determining the limits of wage adjustments necessary to correct gross inequities. Prior to this time the Board in a unanimous policy statement had indicated that it was not prepared, under the guise of correcting gross inequities, to disturb the many established differentials in rates which have long existed in the wage structure of American industry. The problem remained, however, of determining when particular differentials between rates of pay for similar work were so extreme as to constitute gross inequities. The initial approach to this problem was on a case-by-case basis. The directive of May 12, however, clarified the problem by authorizing the Board to establish "by occupational groups and labor market areas, the wage rate brackets embracing all those various rates found to be sound and tested going rates" and further provided that "except in rare and unusual cases in which the critical needs of war production require the settling of a wage at some point above the minimum of the going wage bracket, the minimum of the going rates within the brackets will be the point beyond which the adjustments mentioned above may not be made."

The regional war labor boards have determined sound and tested bracket rates by occupation and industry for the great bulk of the labor market areas of the country. As a general rule, the minimum bracket rate is about 10 percent below the weighted average rate. A claim of gross inequity can be made only with respect to those rates which are below the minimum of the sound and tested bracket rates.

As with the Little Steel formula, the bracket rule limits wage adjustments to selected groups of employees whose wages are significantly out of line with the wages paid to similar employees in other establishments in the same labor market area. Increases on this basis do not disturb the general structure of wage rates. The minimum of the sound and tested rates provides a frame of reference against which to judge gross inequity claims. The majority of the cases that now come before the War Labor Board involve gross inequity considerations.

3. As pointed out above, the War Labor Board is authorized to grant wage adjustments above the minimum of the going wage bracket only in rare and unusual cases involving the critical needs of war production. Testimony before the committee indicated that this authority has been used with great care. The number of cases treated on a rare and unusual basis have been very few and have involved highly critical war production situations.

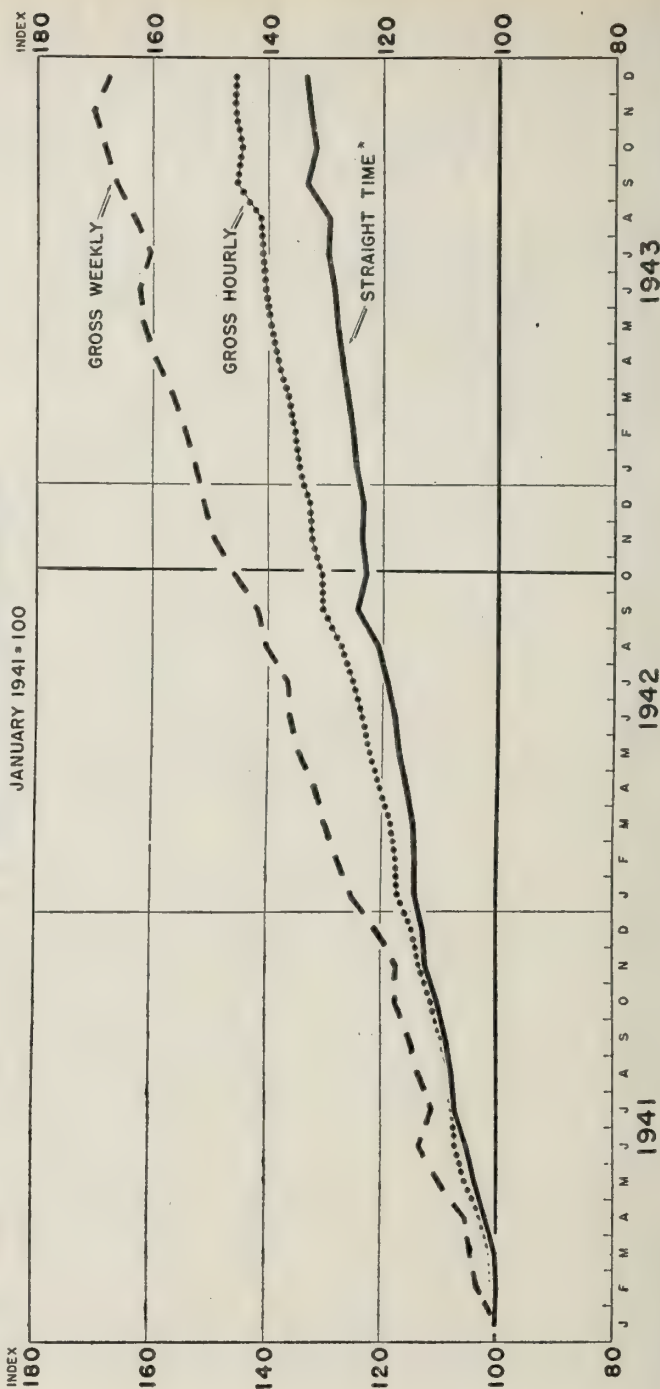
4. In addition to gross wage inequities among plants, wage-rate inequities within plant wage structures have also presented a problem to the Board. Especially in periods during which the character of production changes rapidly, rates for a particular job within a plant may get out of line with rates paid for other jobs of similar skill and responsibility. In some instances, whole industry wage structures have been found to be chaotic. The correction of intraplant wage inequities is subject to a general rule that adjustments for that purpose shall not raise the general level of the plant wages appreciably.

5. Executive Order No. 9250 provided that the Board could approve wage adjustments to correct substandards of living. Wage increases up to 40 cents an hour may be granted by employers without Board approval. The various regional war labor boards have established limits ranging from 40 to 50 cents an hour, depending upon the area involved, by which to measure voluntary requests for wage increases to correct substandards of living. This does not mean that the payment of any particular amount per hour is required by the Board. A regional board will, however, generally approve an increase up to the appropriate substandard rate if an employer voluntarily requests approval for such an adjustment. In dispute cases involving alleged substandards of living, all relevant facts are taken into account in order to avoid unstabilizing consequences. In cases involving substandards, limited adjustments may be granted to employees earning more than the substandard minimum in order to preserve minimum differentials between immediately interrelated job classifications. The authority to make such adjustments was given to the Board in the directive of the Director of Economic Stabilization issued on May 12, 1943.

6. The Board also has occasion to pass upon a variety of miscellaneous wages issues not directly concerned with basic hourly rates, such as night shift bonuses, vacation plans, and incentive plans. Such actions are taken pursuant to that part of paragraph 2 of Executive Order No. 9328 which reads:

Nor shall anything herein be construed to prevent * * * reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages, or the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices.

GROSS WEEKLY EARNINGS, GROSS AVERAGE HOURLY EARNINGS, AND STRAIGHT TIME AVERAGE HOURLY EARNINGS IN MANUFACTURING INDUSTRIES



NATIONAL WAR LABOR BOARD
WASHINGTON, D. C.
MARCH 14, 1944

* WEIGHTED BY INDUSTRY MAN HOURS OF
EMPLOYMENT IN OCTOBER 1942.
SOURCE: BUREAU OF LABOR STATISTICS

EFFECT ON WAGE LEVELS

The wage stabilization policies under which the Board has operated have limited wage adjustments largely to those workers whose rates are relatively low, together with those workers whose wages remained unchanged from January 1941 to October 1942. This generalization applies to adjustments granted under the Little Steel formula, adjustments under the wage bracket rule to correct interplant gross inequities, and adjustments to correct substandards of living.

Evidence presented to this committee indicated that the basic hourly rates of more than three-fourths of the workers subject to the jurisdiction of the Board have not been altered through the actions of the Board. Proposed wage adjustments for more than 1,000,000 workers have been denied by the Board. Increases approved for the workers whose wages have been adjusted have averaged about 6.2 cents an hour in voluntary cases and in dispute cases involving wages. In voluntary cases alone, as table 9 shows, the average increase in approved cases amounted to 6.6 cents an hour.

TABLE 8.—Number of voluntary cases approved by the Board, by bases of Board action and average amount of increase, Oct. 3, 1942–Dec. 31, 1943

Chief type of adjustment	All cases approved ¹				
	Number of cases	Number of workers affected (in thousands)	Average increase in straight-time earnings (cents per hour)	Percent increase in average hourly earnings	Straight-time average hourly earnings before increase (cents per hour)
Maladjustment (Little Steel formula).....	12,963	802	5.9	7.5	78.7
Substandards.....	7,461	328	6.2	12.5	49.2
Gross inequities.....	55,136	2,264	6.9	10.2	67.6
Intraplant differential.....	5,945	227	6.9	10.4	66.3
All other ²	10,481	1,500	.....	.....	.....
Total ³	91,986	5,121	6.6	9.6	68.8

¹ Includes partial approvals.

² "All other" includes for the most part adjustments other than direct wage-rate increases such as new incentive plans, sick leave and vacation plans, and year-end bonuses. Average hourly increases and average straight-time earnings cannot be computed for most of these non-wage-rate adjustments.

³ The average hourly increases and average hourly earnings shown here refer only to those cases in which wage-rate adjustments were approved (see footnote 2 above).

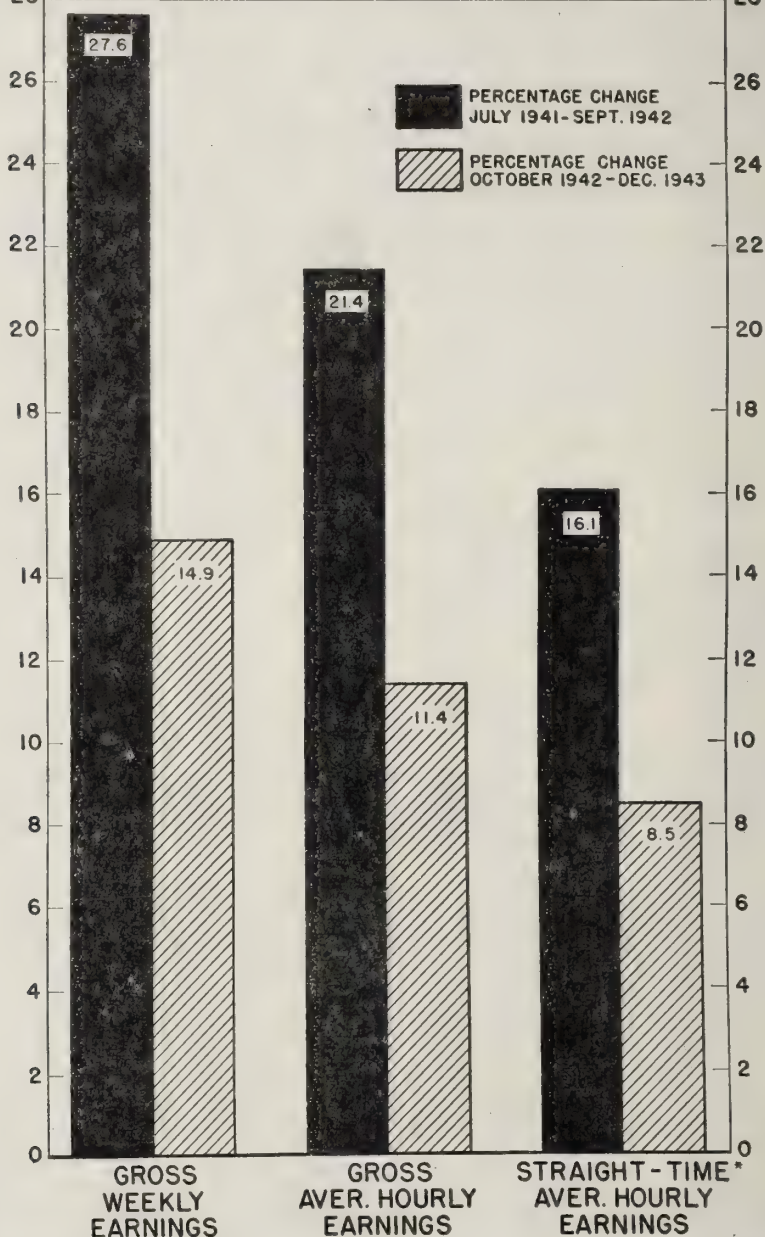
It should be pointed out that many individual workers whose basic rates have not been adjusted have, nevertheless, received increases in their total wages during the stabilization period. Although the evidence presented to the committee by Chairman Davis indicates that basic hourly rates have remained substantially unchanged since October 1942, average earnings have increased. Among the factors responsible for increased earnings are longer hours of work, the transfer of many thousands of workers to higher paid jobs in war industries, the up-grading and promotion of workers, and increased labor productivity under incentive methods of wage payment. The influence of these factors is reflected in an increase of 10.2 cents an hour in average gross hourly earnings in manufacturing industries from October 1942 through December 1943. Such an increase is not necessarily inconsistent with the objectives of the stabilization program. A limitation

PERCENTAGE CHANGE IN EARNINGS IN MANUFACTURING INDUSTRIES

BEFORE AND AFTER WAGE STABILIZATION

TWO EQUAL 15 MONTH PERIODS

PERCENT JULY 1941 - SEPT. 1942 AND OCTOBER 1942 - DEC. 1943 PERCENT



NATIONAL WAR LABOR BOARD
WASHINGTON, D. C.
MARCH 14, 1944

*Note: WEIGHTED BY INDUSTRY MAN HOURS
OF EMPLOYMENT IN OCTOBER 1942
Source: BUREAU LABOR STATISTICS

upon the total earnings of workers would amount to imposing maximum hours of work, precluding promotions and upgrading, restricting the productivity of workers under incentive systems, and preventing shifts of workers into war industries. The disastrous effects of such action upon the war effort can be readily discerned.

For all manufacturing industries combined, three measures of wages are shown in table 10—average weekly earnings, gross average hourly earnings, and straight-time average hourly earnings weighted by the man-hour distribution of employment among industries in October 1942. None of these measures of wages reflects hourly rates alone. Data on rates as such are not available. Average straight-time hourly earnings weighted by October 1942 employment more nearly approximate basic rates than any other measure. The fact must be emphasized, however, that changes in this measure of earnings reflect not only changes in basic rates, but also changes due to a variety of other factors. Among the factors other than rates that influence average straight-time hourly earnings are increases to individual workers, increased productivity under incentive wage-payment plans, the shift of workers from low-wage to high-wage plants within industries, and increases in incidental wage payments such as night-shift bonuses, vacation plans, etc. The influence of overtime premium pay and changes in average earnings due to shifts of workers among industries, however, has been eliminated in this measure of straight-time earnings. While straight-time average hourly earnings in manufacturing increased by 8.5 percent between October 1942 and December 1943, the basic hourly rate increases approved by the Board amounted, when averaged over all factory workers, to approximately 1.8 percent.

TABLE 9.—*Earnings of employees in all manufacturing industries, selected periods*

	Earnings in—			Percentage change		
	January 1941	October 1942	December 1943	January 1941- October 1942	October 1942- December 1943	January 1941- December 1943
Average weekly earnings.....	\$26.64	\$38.89	\$44.68	45.0	14.9	67.7
Gross average hourly earnings.....	.683	.893	.995	30.7	11.4	45.7
Straight-time average hourly earnings ¹.....	.682	.839	.910	23.0	8.5	33.4
Cost-of-living index.....				18.1	4.5	23.4

¹ Weighted by industry man-hours as of October 1942.

Source: Bureau of Labor Statistics.

It should be pointed out that the directive of the Director of Economic Stabilization, May 12, 1943, specified that "all wage adjustments made by the Board which may furnish the basis either to increase price ceilings or to resist otherwise justifiable reductions in price ceilings, or if no price ceilings are involved which may increase the production costs above the level prevailing in comparable plants or establishments, shall become effective only if also approved by the Economic Stabilization Director." Only a very small percentage—less than one-half of 1 percent—of all of the wage cases acted upon by the War Labor Board through February 11, 1944, involved price adjustment or an increase in cost to the Government. Of the 599

such cases submitted to the Director of Economic Stabilization, all but 11 have been approved. Industry price structures were affected in a few instances—cotton garments, laundry, canning, nonferrous metals, and coal. The first 3 of these industries had many workers at substandard rates; in the case of nonferrous metal mining a critical war industry was involved. In the case of coal, the Board has advised this committee that price relief was required to compensate for greater wage costs due to longer hours rather than to rate adjustments.

STABILIZATION OF SALARIES UNDER JURISDICTION OF COMMISSIONER OF INTERNAL REVENUE

The Director of Economic Stabilization has delegated authority over salaries in excess of \$5,000 per annum, and certain salaries of less than \$5,000 per annum for executive, administrative, and professional employees who are not represented in their relations with their employers by duly recognized or certified labor organizations, to the Commissioner of Internal Revenue.

The Commissioner of Internal Revenue, in order to administer the Stabilization Act with respect to employees under his jurisdiction, created the Salary Stabilization Unit in the Bureau of Internal Revenue and provided for the establishment of 13 regional offices in the principal cities throughout the United States to deal with employers' applications for approval for salary adjustments. These regional offices process applications when received and forward the rulings to the unit in Washington for review. The unit in Washington has authority to modify or reverse any field ruling, and to pass upon appeals after they have been considered by the several regional offices.

The Commissioner also promulgated regulations outlining the bases under which certain salary adjustments may be made without prior approval, and also outlining the conditions which must be met in order to obtain approvals in those cases where applications are required.

Under section 1002.14 of the Commissioner's Regulations, no approval is required for an increase in a salary rate made in accordance with the terms of the salary plan or salary rate schedule in effect on October 3, 1942, or approved thereafter and resulting from—

1. Individual promotions or reclassifications.
2. Individual merit increases within established salary rate ranges.
3. Operation of an established plan of salary increases based on length of service within established salary rate ranges.
4. Increased productivity under incentive plans.
5. Operation of a trainee system.
6. Such other reasons or circumstances as may be prescribed in rulings or regulations promulgated by the Commissioner from time to time.

Under section 1002.13 of the Commissioner's Regulations, increases in salaries under his jurisdiction and not covered by section 1002.14 may be approved for the following reasons:

1. To correct substandards of living.
2. To compensate in accordance with the Little Steel formula.

3. To adjust salaries to the minimum of the tested and going rates paid for the same work in the most nearly comparable plants and establishments in the same labor markets.

4. To permit individual promotions to higher positions, reclassifications, merit increases, length of service increases, incentive payments and the like, provided the adjustments do not increase the cost of production or furnish the basis for increased prices or resist otherwise justifiable reductions in prices.

As stated in the act, salaries are to be stabilized insofar as practicable on the basis of the levels existing between January 1 and September 15, 1942. The extent to which this has been accomplished is difficult of any exact determination because there are no accurate statistics available as to salaries for various positions on October 2, 1942, the date of the act, or at the present time. However, the tables shown in the reports submitted to this committee indicate that the salary adjustments for all reasons and covering all salary ranges have increased the salaries adjusted by 14.2 percent. This does not mean that the level of salaries has increased by 14.2 percent since October 2, 1942, but merely that adjustments in the particular salaries affected have been made to that extent. The individual increases within given salary ranges merely represent adjustments within a particular range, rather than an increase in the level for the position.

The available evidence indicates that the stabilization of salaries under the jurisdiction of the Commissioner has been accomplished with respect to those employers who have filed applications and subjected themselves to the requirements of the act and regulations; that, in the administration of salary stabilization, care has been exercised to permit employers to maintain the traditional pattern of American industry with respect to the pay relationship between the different positions; and that salary increases have not been approved where to have done so would have distorted the traditional salary and wage pattern.

There is no reason to believe that the employers who have made adjustments under their salary policies in effect on October 3, without the specific approval of the Commissioner, have made increases which substantially increased salary levels. Data furnished by certain of these employers indicate that they have kept well within the limitations and restrictions applicable to individual applications requiring approval.

Immediately after the enactment of the legislation, employers and employees became aware that salary increases could not be approved except to the extent authorized by the act and regulations and, therefore, salary stabilization served to discourage requests for unwarranted increases, with the result that in the main applications have been submitted in meritorious cases only, and employers have refrained from deviating from their established policies. Employers generally have made an honest effort to comply with the salary stabilization policies and great credit is due American industry for that attitude. Had there been no stabilization legislation, undoubtedly there would have been salary increases in numbers and amounts which would have contributed to the serious inflationary trend which was well under way on October 2, 1942.

APPENDIX

PART I.—ACTS OF CONGRESS RELATING TO THE STABILIZATION PROGRAM

Emergency Price Control Act of 1942, as amended:

[PUBLIC LAW 421—77TH CONGRESS]

[CHAPTER 26—2D SESSION]

[H. R. 5990]

AN ACT To further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS AND AUTHORITY

PURPOSES; TIME LIMIT; APPLICABILITY

SECTION 1. (a) It is hereby declared to be in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this Act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to assure that defense appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; to prevent hardships to persons engaged in business, to schools, universities, and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; to prevent a post emergency collapse of values; to stabilize agricultural prices in the manner provided in section 3; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction, to work toward a stabilization of prices, fair and equitable wages, and cost of production.

(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on June 30, 1944, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

PRICES, RENTS, AND MARKET AND RENTING PRACTICES

SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year-ended October 1, 1941. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment

will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall

be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

AGRICULTURAL COMMODITIES

SEC. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 per centum of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b) 110 per centum of such comparable price, adjusted in the same manner, in lieu of 110 per centum of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919, to June 30, 1929.

(b) For the purposes of this Act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops corn, wheat, cotton, rice, tobacco, and peanuts, the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a).

(d) Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act.

(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be

necessary under section 202 and section 205 (a) and (b) to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.

(f) No provision of this Act or of any existing law shall be construed to authorize any action contrary to the provisions and purposes of this section.

PROHIBITIONS

SEC. 4. (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or to demand or receive any rent for any defense-area housing accommodations, or otherwise to do or omit to do any act, in violation of any regulation or order under section 2, or of any price schedule effective in accordance with the provisions of section 206, or of any regulation, order, or requirement under section 202 (b) or section 205 (f), or to offer, solicit, attempt, or agree to do any of the foregoing.

(b) It shall be unlawful for any person to remove or attempt to remove from any defense-area housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this Act or any regulation, order, or requirement thereunder.

(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Administrator in his official capacity, to disclose, otherwise than in the course of official duty, any information obtained under this Act, or to use any such information, for personal benefit.

(d) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent.

VOLUNTARY AGREEMENTS

SEC. 5. In carrying out the provisions of this Act, the Administrator is authorized to confer with producers, processors, manufacturers, retailers, wholesalers, and other groups having to do with commodities, and with representatives and associations thereof, to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or the other purposes of this Act, but no such arrangement or agreement shall modify any regulation, order, or price schedule previously issued which is effective in accordance with the provisions of section 2 or section 206. The Attorney General shall be promptly furnished with a copy of each such arrangement or agreement.

TITLE II—ADMINISTRATION AND ENFORCEMENT

ADMINISTRATION

SEC. 201. (a) There is hereby created an Office of Price Administration, which shall be under the direction of a Price Administrator (referred to in this Act as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this Act, and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Administrator may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Price Administration, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(b) The principal office of the Administrator shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place. The President is authorized to transfer any of the powers and functions conferred by this Act upon the Office of Price Administration with

respect to a particular commodity or commodities to any other department or agency of the Government having other functions relating to such commodity or commodities, and to transfer to the Office of Price Administration any of the powers and functions relating to priorities or rationing conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities; but, notwithstanding any provision of this or any other law, no powers or functions conferred by law upon the Secretary of Agriculture shall be transferred to the Office of Price Administration or to the Administrator, and no powers or functions conferred by law upon any other department or agency of the Government with respect to any agricultural commodity, except powers and functions relating to priorities or rationing, shall be so transferred.

(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250.

(d) The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this Act.

INVESTIGATIONS; RECORDS; REPORTS

SEC. 202. (a) The Administrator is authorized to make such studies and investigations and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder.

(b) The Administrator is further authorized, by regulation or order, to require any person who is engaged in the business of dealing with any commodity, or who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such person to permit the inspection and copying of records and other documents, the inspection of inventories, and the inspection of defense-area housing accommodations. The Administrator may administer oaths and affirmations and may, whenever necessary, by subpoena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

(c) For the purpose of obtaining any information under subsection (a), the Administrator may by subpoena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpoena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

(e) In case of contumacy by, or refusal to obey a subpoena served upon, any person referred to in subsection (c), the district court for any district in which such person is found or resides or transacts business, upon application by the Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection^(b), and shall be in addition to the provisions of section 4 (a).

(f) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(h) The Administrator shall not publish or disclose any information obtained under this Act that such Administrator deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless he determines that the withholding thereof is contrary to the interest of the national defense and security.

PROCEDURE

SEC. 203. (a) Within a period of sixty days after the issuance of any regulation or order under section 2, or in the case of a price schedule, within a period of sixty days after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. At any time after the expiration of such sixty days any persons subject to any provision of such regulation, order, or price schedule may file such a protest based solely on grounds arising after the expiration of such sixty days. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing or ninety days after the issuance of the regulation or order (or in the case of a price schedule, ninety days after the effective date thereof specified in section 206) in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs.

REVIEW

SEC. 204. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereof; except that on request by the Administrator, any such evidence shall be presented directly to the court.

(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2 or any price schedule effective in accordance with the provisions of section 206. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this Act authorizing the issuance of such regulations or orders, or making effective any such price schedule, or any provision of any such regulation, order, or price schedule, or to restrain or enjoin the enforcement of any such provision.

ENFORCEMENT

SEC. 205. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 4 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 4 of this Act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 2 or section 202, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than two years in the case of a violation of section 4 (c)

and for not more than one year in all other cases, or to both such fine and imprisonment. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 4 of this Act, and, concurrently with State and Territorial courts, of all other proceedings under section 205 of this Act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Except as provided in section 205 (f) (2), such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Administrator or the United States Government in any proceeding under this Act.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, price schedule, requirement, or agreement thereunder, or under any price schedule of the Administrator of the Office of Price Administration or of the Administrator of the Office of Price Administration and Civilian Supply, notwithstanding that subsequently such provision, regulation, order, price schedule, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, price schedule, requirement, or agreement thereunder, the court having jurisdiction of such suit or action shall certify such fact to the Administrator. The Administrator may intervene in any such suit or action.

(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may bring an action either for \$50 or for treble the amount by which the consideration exceeded the applicable maximum price, whichever is the greater, plus reasonable attorney's fees and costs as determined by the court. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer is not entitled to bring suit or action under this subsection, the Administrator may bring such action under this subsection on behalf of the United States. Any suit or action under this subsection may be brought in any court of competent jurisdiction, and shall be instituted within one year after delivery is completed or rent is paid. The provisions of this subsection shall not take effect until after the expiration of six months from the date of enactment of this Act.

(f) (1) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under section 2, or of any price schedule effective in accordance with the provisions of section 206, he may by regulation or order issue to or require of any person or persons subject to any regulation or order issued under section 2, or subject to any such price schedule, a license as a condition of selling any commodity or commodities with respect to which such regulation, order, or price schedule is applicable. It shall not be necessary for the Administrator to issue a separate license for each commodity or for each regulation, order, or price schedule with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under section 2 or section 202: *Provided*, That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or motion pictures, or as a condition of selling radio time: *Provided further*, That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him, and no license may be required of any fisherman as a condition of selling any fishery commodity caught or taken by him: *Provided*

further, That in any case in which such a license is required of any person, the Administrator shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

(2) Whenever in the judgment of the Administrator a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any regulation, order, or requirement under section 2 or section 202 (b) or any of the provisions of any price schedule effective in accordance with the provisions of section 206, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the Administrator has reason to believe that such person has again violated any of the provisions of such license, regulation, order, price schedule, or requirement after receipt of such warning notice, the Administrator may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than twelve months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no such suspension shall be for a period of more than twelve months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his gross sales exceed \$100,000 per annum. Within thirty days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the Administrator's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice; and upon written stipulation of the parties to the proceeding for suspension, approved by the trial court, any such order of suspension may be modified, and the license which has been suspended may be restored, upon such terms and conditions as such court shall find reasonable. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of such license, regulation, order, price schedule, or requirement after receipt of such warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this Act.

SAVING PROVISIONS

SEC. 206. Any price schedule establishing a maximum price or maximum prices, issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to the date upon which the Administrator provided for by section 201 of this Act takes office, shall, from such date, have the same effect as if issued under section 2 of this Act until such price schedule is superseded by action taken pursuant to such section 2. Such price schedules shall be consistent with the standards contained in section 2 and the limitations contained in section 3 of this Act, and shall be subject to protest and review as provided in section 203 and section 204 of this Act. All such price schedules shall be reprinted in the Federal Register within ten days after the date upon which such Administrator takes office.

TITLE III—MISCELLANEOUS

QUARTERLY REPORT

SEC. 301. The Administrator from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

DEFINITIONS

SEC. 302. As used in this Act—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell," "selling," "seller," "buy," and "buyer," shall be construed accordingly.

(b) The term "price" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals and newspapers, other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in this Act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (5) rates charged for any professional services.

(d) The term "defense-rental area" means the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodation inconsistent with the purposes of this Act.

(e) The term "defense-area housing accommodations" means housing accommodations within any defense-rental area.

(f) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, hotels, rooming or boarding house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(g) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

(h) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivision, or agency.

(i) The term "maximum price", as applied to prices of commodities means the maximum lawful price for such commodities, and the term "maximum rent" means the maximum lawful rent for the use of defense-area housing accommodations. Maximum prices and maximum rents may be formulated, as the case may be, in terms of prices, rents, margins, commissions, fees, and other charges, and allowances.

(j) The term "documents" includes records, books, accounts, correspondence, memoranda, and other documents, and drafts and copies of any of the foregoing.

(k) The term "district court" means any district court of the United States, and the United States Court for any Territory or other place subject to the jurisdiction of the United States; and the term "circuit courts of appeals" includes the United States Court of Appeals for the District of Columbia.

SEPARABILITY

SEC. 303. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

APPROPRIATIONS AUTHORIZED

SEC. 304. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this Act.

APPLICATION OF EXISTING LAW

SEC. 305. No provision of law in force on the date of enactment of this Act shall be construed to authorize any action inconsistent with the provisions and purposes of this Act.

SHORT TITLE

SEC. 306. This Act may be cited as the "Emergency Price Control Act of 1942." Approved, January 30, 1942.

Stabilization Act of October 2, 1942, as amended:

[PUBLIC LAW 729—77TH CONGRESS]

[CHAPTER 578—2D SESSION]

[H. R. 7565]

AN ACT To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the

higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries, (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled workweek.

SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944".

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing

year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,".

(2) By striking out "85 per centum" and inserting in lieu thereof "90 per centum".

(3) By inserting after the word "tobacco" a comma and the word "peanuts".

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this Act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment.

Approved, October 2, 1942.

Appropriation for Office of Price Administration, fiscal year 1944:
(Excerpt from Public Law 139, 78th Cong., approved July 12, 1943,
as amended.)

OFFICE OF PRICE ADMINISTRATION

Salaries and expenses: For all necessary expenses of the Office of Price Administration in carrying out the provisions of the Emergency Price Control Act of 1942, as amended by the Act of October 2, 1942 (50 U. S. C. App. 901), and the provisions of the Act of May 31, 1941 (55 Stat. 236), as amended by the Second War Powers Act, 1942 (50 U. S. C. App. 622), and all other powers, duties, and functions which may be lawfully delegated to the Office of Price Administration, including personal services in the District of Columbia and elsewhere; expenses of in-service training of employees, including salaries and traveling expenses of instructors; not to exceed \$55,000 for the employment of aliens; not to exceed \$30,000 for the temporary employment of persons or organizations, by contract or otherwise, without regard to section 3709, Revised Statutes, or the civil-service

and classification laws; contract stenographic reporting services; witness fees; purchase of lawbooks, books of reference, newspapers, and periodicals; printing and binding (not to exceed \$1,830,815, which limitation shall not apply to the printing of forms, instructions, regulations, and coupon books incidental to the rationing of commodities); maintenance, repair, and operation of passenger-carrying vehicles; traveling expenses (not to exceed \$7,250,000), including (1) attendance at meetings of organizations concerned with the work of the Office of Price Administration, (2) actual transportation and other necessary expenses and not to exceed \$10 per diem in lieu of subsistence of persons serving while away from their homes in an advisory capacity without other compensation from the United States, or at \$1 per annum, (3) reimbursement, at not to exceed 3 cents per mile, of employees for expenses incurred by them in official travel in privately owned automobile within the limits of their official stations, (4) expenses of appointees from point of induction in continental United States to their first post of duty in the Territories, and (5) expenses to and from their homes or regular places of business in accordance with the Standardized Government Travel Regulations, including travel in privately owned automobile (and including per diem in lieu of subsistence at place of employment), of persons employed intermittently away from their homes or regular places of business as consultants and receiving compensation on a per diem when actually employed basis; \$155,000,000, of which sum not less than \$56,000,000 shall be allocated for direct obligations of local war price and rationing boards; sums under such appropriation of \$155,000,000 may be transferred to other departments or agencies of the Government for the performance by them of any of the functions or activities for which this appropriation is made, but unless otherwise authorized by law no other agency of the Government shall perform work or render services for the Office of Price Administration, whether or not the performance of such work or services involves the transfer of funds or reimbursement of appropriations, unless authority therefor by the Bureau of the Budget shall have been obtained in advance: *Provided*, That sums set apart for special projects (classified in the estimates submitted to Congress as or under "Other contractual services") may be expended for travel expenses, and printing and binding without regard to the limitations herein specified for such objects, but within such amounts as the Director of the Bureau of the Budget may approve therefor and such Director shall report to Congress each such limitation determined by him: *Provided further*, That no part of this appropriation shall be used for the compensation of any officer, agent, clerk, or other employee of the United States who shall divulge or make known in any manner whatever to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any questionnaire, report, return, or document, required or requested to be filed by order or regulation of the Administrator or to permit any questionnaire, report, return, or document or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; nor for any person who shall print or publish in any manner whatever, except as hereinafter provided, any questionnaire, report, return, or document or any part thereof or source of income, profits, losses, expenditures, or methods of doing business, appearing in any questionnaire, report, return, or document: *Provided further*, That the foregoing provisions shall not be construed to prevent or prohibit the publication or disclosure of studies, graphs, charts, or other documents of like general character wherein individual statistics or the source thereof is not disclosed or identified directly or indirectly nor to prevent the furnishing in confidence to the War Department, the Navy Department, or the United States Maritime Commission, such data and information as may be requested by them for use in the performance of their official duties: *Provided further*, That no part of this appropriation shall be available for making any subsidy payments: *Provided further*, That no part of this appropriation shall be used to enforce any maximum price or prices on any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, including milk and its products and livestock, unless and until (1) the Secretary of Agriculture has determined and published for such agricultural commodity the prices specified in section 3 (a) of the Emergency Price Control Act of 1942, as amended by Public Law Numbered 729, approved October 2, 1942; (2) in case of a comparable price for such agricultural commodity, the Secretary of Agriculture has held public hearings and determined and published such comparable price in the manner prescribed by section 3 (b) of said Act as amended; and (3) the Secretary of Agriculture has determined after

investigation and proclaimed that the maximum price or prices so established on any such agricultural commodity, including milk and its product and livestock, will reflect to the producer of such agricultural commodity a price in conformity with section 3 (c) of said Act as amended: *Provided further*, That such maximum price or prices shall conform in all respects to the provisions of section 3 of Public Law Numbered 729 approved October 2, 1942: *Provided further*, That any employee of the Office of Price Administration is authorized and empowered, when designated for the purpose by the head of the agency, to administer to or take from any person an oath, affirmation, or affidavit when such instrument is required in connection with the performance of the functions or activities of said Office: *Provided further*, That no part of this appropriation shall be directly or indirectly used for the payment of the salary or expenses of any person who directs the formulation of any price policy, maximum price, or price ceiling with respect to any article or commodity unless, in the judgment of the Administrator, such person shall be qualified by experience in business, industry, or commerce; but this limitation shall not apply to the Administrator or Acting Administrator as the case may be, in considering, adopting, signing, and promulgating price policies, maximum prices, or price ceilings formulated and prepared in compliance herewith.

Title III of the Second War Powers Act, 1942, approved March 27, 1942:

TITLE III—PRIORITIES POWERS

SEC. 301. Subsection (a) of section 2 of the Act of June 28, 1940 (54 Stat. 676), entitled "An Act to expedite national defense, and for other purposes", as amended by the Act of May 31, 1941 (Public Law Numbered 89, Seventy-seventh Congress), is hereby amended to read as follows:

"SEC. 2. (a) (1) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable. Deliveries of material under all orders placed pursuant to the authority of this paragraph and all other naval contracts or orders and deliveries of material under all Army contracts or orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this paragraph, or any War Department contract entered into in the form of cost-plus-a-fixed-fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

"(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

"(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled 'An Act to promote the defense of the United States';

"(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

"(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection (a).

Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

"(3) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, any person (which, for the purpose of this subsection (a), shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this subsection (a).

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the President may administer oaths and affirmations, and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this subsection (a), on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this paragraph which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

"(5) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by, any provision of this subsection (a) or any rule, regulation, or order thereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this

subsection (a) or any rule, regulation, or order or subpoena thereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection (a) to enforce any liability or duty created by, or to enjoin any violation of, this subsection (a) or any rule, regulation, order, or subpoena thereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business: Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection (a).

"(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this subsection (a) or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

"(8) The President may exercise any power, authority, or discretion conferred on him by this subsection (a), through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe."

Section 7 of the War Labor Disputes Act, enacted June 25, 1943:

FUNCTIONS AND DUTIES OF THE NATIONAL WAR LABOR BOARD

SEC. 7. (a) The National War Labor Board (hereinafter in this section called the "Board"), established by Executive Order Numbered 9017, dated January 12, 1942, in addition to all powers conferred on it by section 1 (a) of the Emergency Price Control Act of 1942, and by any Executive order or regulation issued under the provisions of the Act of October 2, 1942, entitled "An Act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes", and by any other statute, shall have the following powers and duties:

(1) Whenever the United States Conciliation Service (hereinafter called the "Conciliation Service") certifies that a labor dispute exists which may lead to substantial interference with the war effort, and cannot be settled by collective bargaining or conciliation, to summon both parties to such dispute before it and conduct a public hearing on the merits of the dispute. If in the opinion of the Board a labor dispute has become so serious that it may lead to substantial interference with the war effort, the Board may take such action on its own motion. At such hearing both parties shall be given full notice and opportunity to be heard, but the failure of either party to appear shall not deprive the Board of jurisdiction to proceed to a hearing and order.

(2) To decide the dispute, and provide by order the wages and hours and all other terms and conditions (customarily included in collective-bargaining agreements) governing the relations between the parties, which shall be in effect until further order of the Board. In making any such decision the Board shall conform to the provisions of the Fair Labor Standards Act of 1938, as amended; the National Labor Relations Act; the Emergency Price Control Act of 1942, as amended; and the Act of October 2, 1942, as amended, and all other applicable provisions of law; and where no other law is applicable the order of the Board shall provide for terms and conditions to govern relations between the parties which shall be fair and equitable to employer and employee under all the circumstances of the case.

(3) To require the attendance of witnesses and the production of such papers, documents, and records as may be material to its investigation of facts in any labor dispute, and to issue subpoenas requiring such attendance or production.

(4) To apply to any Federal district court for an order requiring any person within its jurisdiction to obey a subpoena issued by the Board; and jurisdiction is hereby conferred on any such court to issue such an order.

(b) The Board, by its Chairman, shall have power to issue subpoenas requiring the attendance and testimony of witnesses, and the production of any books, papers, records, or other documents, material to any inquiry or hearing before the Board or any designated member or agent thereof. Such subpoenas shall be

enforceable in the same manner, and subject to the same penalties, as subpoenas issued by the President under title III of the Second War Powers Act, approved March 27, 1942.

(c) No member of the Board shall be permitted to participate in any decision in which such member has a direct interest as an officer, employee, or representative of either party to the dispute.

(d) Subsections (a) (1) and (2) shall not apply with respect to any plant, mine, or facility of which possession has been taken by the United States.

(e) The Board shall not have any powers under this section with respect to any matter within the purview of the Railway Labor Act, as amended.

PART II.—EXECUTIVE ORDERS RELATING TO THE STABILIZATION PROGRAM

EXECUTIVE ORDER 9017

ESTABLISHMENT OF THE NATIONAL WAR LABOR BOARD

WHEREAS by reason of the state of war declared to exist by joint resolutions of the Congress, approved December 8, 1941, and December 11, 1941, respectively, (Public Laws Nos. 328, 331, 332, 77th Congress), the national interest demands that there shall be no interruption of any work which contributes to the effective prosecution of the war; and

WHEREAS as a result of a conference of representatives of labor and industry which met at the call of the President on December 17, 1941, it has been agreed that for the duration of the war there shall be no strikes or lock-outs, and that all labor disputes shall be settled by peaceful means, and that a National War Labor Board be established for the peaceful adjustment of such disputes:

Now, THEREFORE, by virtue of the authority vested in me by the Constitution and the statutes of the United States, it is hereby ordered:

1. There is hereby created in the Office for Emergency Management a National War Labor Board, hereinafter referred to as the Board. The Board shall be composed of twelve special commissioners to be appointed by the President. Four of the members shall be representative of the public; four shall be representative of employees; and four shall be representative of employers. The President shall designate the Chairman and Vice-Chairman of the Board from the members representing the public. The President shall appoint four alternate members representative of employees and four representatives of employers, to serve as Board members in the absence of regular members representative of their respective groups. Six members or alternate members of the Board, including not less than two members from each of the groups represented on the Board, shall constitute a quorum. A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board.

2. This Order does not apply to labor disputes for which procedures for adjustment or settlement are otherwise provided until those procedures have been exhausted.

3. The procedures for adjusting and settling labor disputes which might interrupt work which contributes to the effective prosecution of the war shall be as follows: (a) The parties shall first resort to direct negotiations or to the procedures provided in a collective bargaining agreement. (b) If not settled in this manner, the Commissioners of Conciliation of the Department of Labor shall be notified if they have not already intervened in the dispute. (c) If not promptly settled by conciliation, the Secretary of Labor shall certify the dispute to the Board, provided, however, that the Board in its discretion after consultation with the Secretary may take jurisdiction of the dispute on its own motion. After it takes jurisdiction, the Board shall finally determine the dispute, and for this purpose may use mediation, voluntary arbitration, or arbitration under rules established by the Board.

4. The Board shall have power to promulgate rules and regulations appropriate for the performance of its duties.

5. The members of the Board (including alternates) shall receive necessary traveling expenses, and, unless their compensation is otherwise prescribed by the President, shall receive in addition to traveling expenses \$25.00 per diem for subsistence expense on such days as they are actually engaged in the performance of duties pursuant to this Order. The Board is authorized to appoint and fix the compensation of its officers, examiners, mediators, umpires, and arbitrators; and the Chairman is authorized to appoint and fix the compensation of other

necessary employees of the Board. The Board shall avail itself, insofar as practicable, of the services and facilities of the Office for Emergency Management and of other departments and agencies of the Government.

6. Upon the appointment of the Board and the designation of its Chairman, the National Defense Mediation Board established by Executive Order No. 8716 of March 19, 1941, shall cease to exist. All employees of the National Defense Mediation Board shall be transferred to the Board without acquiring by such transfer any change in grade or civil service status. All records, papers, and property, and all unexpended funds and appropriations for the use and maintenance of the National Defense Mediation Board shall be transferred to the Board. All duties with respect to cases certified to the National Defense Mediation Board shall be assumed by the Board for discharge under the provisions of this Order.

7. Nothing herein shall be construed as superseding or in conflict with the provisions of the Railway Labor Act (Act of May 20, 1926, as amended, 44 Stat. 577; 48 Stat. 926, 1185; 49 Stat. 1169; 45 U. S. Code 151), the National Labor Relations Act (Act of July 5, 1935, 49 Stat. 457; 29 U. S. Code 151 et seq.), the Fair Labor Standards Act (Act of June 25, 1938; 52 Stat. 1060; 29 U. S. Code 201 et seq.), and the Act to provide conditions for the purchase of supplies, etc., approved June 30, 1936 (49 Stat. 2036; 41 U. S. Code, sections 35-45), or the Act amending the Act of March 3, 1931, relating to the rate of wages for laborers and mechanics, approved August 30, 1935 (49 Stat. 1011; 40 U. S. Code, Section 276 et seq.)

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
January 12, 1942.

AMENDING EXECUTIVE ORDER NO. 9017 OF JANUARY 12, 1942, TO PROVIDE FOR THE APPOINTMENT OF ASSOCIATE MEMBERS OF THE NATIONAL WAR LABOR BOARD

By virtue of the authority vested in me by the Constitution and the statutes of the United States, it is hereby ordered that Executive Order No. 9017 of January 12, 1942, entitled "Establishment of the National War Labor Board", be, and it is hereby, amended so as to provide for the appointment of associate members of the National War Labor Board. Such associate members shall be authorized to act as Mediators in any labor dispute pursuant to the direction of the Board.

Associate members shall receive compensation and expenses during any period of service in like manner as regular members of the Board.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
January 24, 1942.

EXECUTIVE ORDER 9125

DEFINING ADDITIONAL FUNCTIONS, DUTIES, AND POWERS OF THE WAR PRODUCTION BOARD AND THE OFFICE OF PRICE ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, as President of the United States and as Commander in Chief of the Army and Navy, and for the purpose of assuring the most effective prosecution of war procurement and production, it is hereby ordered as follows:

1. In addition to the responsibilities and duties described in Executive Order No. 9024 of January 16, 1942, and in Executive Order No. 9040 of January 24, 1942, the Chairman of the War Production Board, with the advice and assistance of the members of the Board, shall perform the additional functions and duties, and exercise the additional powers, authority, and discretion conferred upon the President of the United States by Title III of the Second War Powers Act 1942.

2. The Chairman of the War Production Board may perform the functions and duties, and exercise the powers, authority, and discretion conferred upon him by this or any other order through such officials or agencies, including the Office of Price Administration (created by the Act of January 30, 1942, Pub. Law 421, 77th Cong., 2d Sess.), and in such manner as he may determine. In

any and all such cases the decision of the Chairman of the War Production Board shall be final.

3. The Chairman of the War Production Board is authorized to delegate to the Office of Price Administration or the Price Administrator such of his functions, duties, powers, authority, or discretion with respect to priorities or rationing, as he may deem to be necessary or appropriate for the effective prosecution of the war; and in the administration or enforcement of any such priorities or rationing authority or any priorities or rationing authority heretofore conferred upon the Office of Price Administration or upon the Price Administrator by the Office of Production Management or by the Chairman of the War Production Board, the Price Administrator is hereby authorized:

(a) To exercise all functions, duties, powers, authority or discretion with respect to such priorities or rationing in the same manner, and to the same degree and extent, as if such functions, duties, powers, authority or discretion had been conferred upon or transferred to the Office of Price Administration directly by Executive order.

(b) To delegate the functions, duties, powers, authority or discretion mentioned in subparagraphs (a) and (d) hereof, including the authority and power to sign and issue subpoenas, to such person or persons as he may designate or appoint for that purpose, to be exercised by such person or persons in any place and at any time.

(c) To institute civil proceedings in his own name to enforce any such priority or rationing authority or any regulation or order heretofore or hereafter issued, or action taken, pursuant to such authority, and to intervene in any civil proceedings in which any such regulation or order is or could be relied upon as ground for relief or defense or is otherwise involved, in any Federal, State, or Territorial court. The Price Administrator shall be represented in any such proceedings by attorneys appointed or designated by him.

(d) To exercise, to the extent necessary for the purposes of this order, the functions, duties, powers, authority or discretion conferred upon the President by paragraphs (3) and (4) of subsection (a) of section 2 of the Act of June 28, 1941 (54 Stat. 676), as amended by the Act of May 31, 1941 (Pub. Law 89, 77th Cong.) and by Title III of the Second War Powers Act, 1942 (Act of March 27, 1942, Pub. Law 507, 77th Cong.).

4. War Production Board Directives No. 1 of January 24, 1942 (7 F. R. 562). No. 1A of February 2, 1942 (7 F. R. 698), No. 1B of February 9, 1942 (7 F. R. 925), No. 1C of February 28, 1942 (7 F. R. 1669), and any other authorizations of the Office of Production Management or the War Production Board with respect to priorities or rationing, and all regulations or orders issued, or actions taken, by the Office of Price Administration or the Price Administrator pursuant to such Directives or authorizations, are hereby, until withdrawn or superseded, continued in full force and effect, as if issued pursuant to this Order or under authority conferred pursuant to this Order. No provision of this Order shall be construed to impair the right of the Administrator to maintain pending, or to institute, civil proceedings, or to take any other action with respect to violations prior to the date of this Order of any priorities or rationing regulation or order heretofore issued.

THE WHITE HOUSE,
April 7, 1942.

FRANKLIN D. ROOSEVELT.

EXECUTIVE ORDER 9250

PROVIDING FOR THE STABILIZING OF THE NATIONAL ECONOMY

By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the Act of October 2, 1942, entitled "An Act to Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation, and for Other Purposes," as President of the United States and Commander in Chief of the Army and Navy, and in order to control so far as possible the inflationary tendencies and the vast dislocations attendant thereon which threaten our military effort and our domestic economic structure, and for the more effective prosecution of the war, it is hereby ordered as follows:

TITLE I—ESTABLISHMENT OF AN OFFICE OF ECONOMIC STABILIZATION

1. There is established in the Office for Emergency Management of the Executive Office of the President an Office of Economic Stabilization at the head of which shall be an Economic Stabilization Director (hereinafter referred to as the Director).

2. There is established in the Office of Economic Stabilization an Economic Stabilization Board with which the Director shall advise and consult. The Board shall consist of the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, the Chairman of the National War Labor Board, and two representatives each of labor, management, and farmers to be appointed by the President. The Director may invite for consultation the head of any other department or agency. The Director shall serve as Chairman of the Board.

3. The Director, with the approval of the President, shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters—all for the purpose of preventing avoidable increases in the cost of living, cooperating in minimizing the unnecessary migration of labor from one business, industry, or region to another, and facilitating the prosecution of the war. To give effect to this comprehensive national economic policy the Director shall have power to issue directives on policy to the Federal departments and agencies concerned.

4. The guiding policy of the Director and of all departments and agencies of the Government shall be to stabilize the cost of living in accordance with the Act of October 2, 1942; and it shall be the duty and responsibility of the Director and of all departments and agencies of the Government to cooperate in the execution of such administrative programs and in the development of such legislative programs as may be necessary to that end. The administration of activities related to the national economic policy shall remain with the departments and agencies now responsible for such activities, but such administration shall conform to the directives on policy issued by the Director.

TITLE II—WAGE AND SALARY STABILIZATION POLICY

1. No increases in wage rates, granted as a result of voluntary agreement, collective bargaining, conciliation, arbitration, or otherwise, and no decreases in wage rates, shall be authorized unless notice of such increases or decreases shall have been filed with the National War Labor Board and unless the National War Labor Board has approved such increases or decreases.

2. The National War Labor Board shall not approve any increases in the wage rates prevailing on September 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war: *Provided, however,* That where the National War Labor Board or the Price Administrator shall have reason to believe that a proposed wage increase will require a change in the price ceiling of the commodity or service involved, such proposed increase, if approved by the National War Labor Board, shall become effective only if also approved by the Director.

3. The National War Labor Board shall not approve a decrease in the wages for any particular work below the highest wages paid therefor between January 1, 1942, and September 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war.

4. The National War Labor Board shall, by general regulation, make such exemptions from the provisions of this title in the case of small total wage increases or decreases as it deems necessary for the effective administration of this Order.

5. No increases in salaries now in excess of \$5,000 per year (except in instances in which an individual has been assigned to more difficult or responsible work), shall be granted until otherwise determined by the Director.

6. No decrease shall be made in the salary for any particular work below the highest salary paid therefor between January 1, 1942, and September 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war.

7. In order to correct gross inequities and to provide for greater equality in contributing to the war effort, the Director is authorized to take the necessary action, and to issue the appropriate regulations, so that, insofar as practicable, no salary shall be authorized under Title III, Section 4 to the extent that it exceeds \$25,000 after the payment of taxes allocable to the sum in excess of \$25,000:

Provided, however, that such regulations shall make due allowance for the payment of life insurance premiums on policies heretofore issued, and required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship.

8. The policy of the Federal Government, as established in Executive Order No. 9017 of January 12, 1942, to encourage free collective bargaining between employers and employees is reaffirmed and continued.

9. Insofar as the provisions of Clause (1) of section 302 (c) of the Emergency Price Control Act of 1942 are inconsistent with this Order, they are hereby suspended.

TITLE III—ADMINISTRATION OF WAGE AND SALARY POLICY

1. Except as modified by this Order, the National War Labor Board shall continue to perform the powers, functions, and duties conferred upon it by Executive Order No. 9017, and the functions of said Board are hereby extended to cover all industries and all employees. The National War Labor Board shall continue to follow the procedures specified in said Executive Order.

2. The National War Labor Board shall constitute the agency of the Federal Government authorized to carry out the wage policies stated in this Order, or the directives on policy issued by the Directive under this Order. The National War Labor Board is further authorized to issue such rules and regulations as may be necessary for the speedy determination of the propriety of any wage increases or decreases in accordance with this Order, and to avail itself of the services and facilities of such State and Federal departments and agencies as, in the discretion of the National War Labor Board, may be of assistance to the Board.

3. No provision with respect to wages contained in any labor agreement between employers and employees (including the Shipbuilding Stabilization Agreements as amended on May 16, 1942, and the Wage Stabilization Agreement of the Building Construction Industry arrived at May 22, 1942) which is inconsistent with the policy herein enunciated or hereafter formulated by the Director shall be enforced except with the approval of the National War Labor Board within the provisions of this Order. The National War Labor Board shall permit the Shipbuilding Stabilization Committee and the Wage Adjustment Board for the Building Construction Industry, both of which are provided for in the foregoing agreements, to continue to perform their functions therein set forth, except insofar as any of them is inconsistent with the terms of this Order.

4. In order to effectuate the purposes and provisions of this Order and the Act of October 2, 1942, any wage or salary payment made in contravention thereof shall be disregarded by the Executive Departments and other governmental agencies in determining the costs or expenses of any employer for the purpose of any law or regulation, including the Emergency Price Control Act of 1942 or any maximum price regulation thereof, or for the purpose of calculating deductions under the Revenue Laws of the United States or for the purpose of determining costs or expenses under any contract made by or on behalf of the Government of the United States.

TITLE IV—PRICES OF AGRICULTURAL COMMODITIES

1. The prices of agricultural commodities and of commodities manufactured or processed in whole or substantial part from any agricultural commodity shall be stabilized, so far as practicable, on the basis of levels which existed on September 15, 1942, and in compliance with the Act of October 2, 1942.

2. In establishing, maintaining, or adjusting maximum prices for agricultural commodities or for commodities processed or manufactured in whole or in substantial part from any agricultural commodity, appropriate deductions shall be made from parity price or comparable price for payments made under the Soil Conservation and Domestic Allotment Act, as amended, parity payments made under the Agricultural Adjustment Act of 1938, as amended, and governmental subsidies.

3. Subject to the directives on policy of the Director, the price of agricultural commodities, shall be established or maintained or adjusted jointly by the Secretary of Agriculture and the Price Administrator; and any disagreement between them shall be resolved by the Director. The price of any commodity manufactured or processed in whole or in substantial part from an agricultural commodity shall be established or maintained or adjusted by the Price Administrator, in the same administrative manner provided for under the Emergency Price Control Act of 1942.

4. The provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 are hereby suspended to the extent that such provisions are inconsistent with any or all prices established under this Order for agricultural commodities, or commodities manufactured or processed in whole or in substantial part from an agricultural commodity.

TITLE V—PROFITS AND SUBSIDIES

1. The Price Administrator in fixing, reducing, or increasing prices, shall determine price ceilings in such a manner that profits are prevented which in his judgment are unreasonable or exorbitant.

2. The Director may direct any Federal Department or agency including, but not limited to, the Department of Agriculture (including the Commodity Credit Corporation and the Surplus Marketing Administration), the Department of Commerce, the Reconstruction Finance Corporation, and other corporations organized pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended, to use its authority to subsidize and to purchase for resale, if such measures are necessary to insure the maximum necessary production and distribution of any commodity, or to maintain ceiling prices, or to prevent a price rise inconsistent with the purposes of this Order.

TITLE VI—GENERAL PROVISIONS

1. Nothing in this Order shall be construed as affecting the present operation of the Fair Labor Standards Act, the National Labor Relations Act, the Walsh-Healey Act, the Davis-Bacon Act, or the adjustment procedure of the Railway Labor Act.

2. Salaries and wages under this Order shall include all forms of direct or indirect remuneration to an employee or officer for work or personal services performed for an employer or corporation, including but not limited to, bonuses, additional compensation, gifts, commissions, fees, and any other remuneration in any form or medium whatsoever (excluding insurance and pension benefits in a reasonable amount as determined by the Director); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees. "Salaries" as used in this Order means remuneration for personal services regularly paid on a weekly, monthly, or annual basis.

3. The Director shall, so far as possible, utilize the information, data, and staff services of other Federal departments and agencies which have activities or functions related to national economic policy. All such Federal departments and agencies shall supply available information, data, and services required by the Director in discharging his responsibilities.

4. The Director shall be the agency to receive notice of any increase in the rates or charges of common carriers or other public utilities as provided in the aforesaid Act of October 2, 1942.

5. The Director may perform the functions and duties and exercise the powers, authority, and discretion conferred upon him by this Order through such officials or agencies, and in such manner, as he may determine. The decision of the Director as to such delegation and the manner of exercise thereof shall be final.

6. The Director, if he deems it necessary, may direct that any policy formulated under this Order shall be enforced by any other department or agency under any other power or authority which may be provided by any of the laws of the United States.

7. The Director, who shall be appointed by the President, shall receive such compensation as the President shall provide, and within the limits of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities, and services necessary to discharge his responsibilities.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
October 3, 1942.

EXECUTIVE ORDER 9381

AMENDMENT OF EXECUTIVE ORDER 9250, ENTITLED "PROVIDING FOR THE STABILIZING OF THE NATIONAL ECONOMY"

By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the act of October 2, 1942, amending the Emergency Price Control Act of 1942 (56 Stat. 765), as amended by the Public Debt Act of 1943 (Public Law 34—78th Congress), as President of the United States and Commander in Chief of the Army and Navy, it is ordered that Executive Order No. 9250 of October 3, 1942, entitled "Providing for the Stabilizing of the National Economy", be, and it is hereby, amended as follows:

1. The preamble is amended by inserting after the words "the Act of October 2, 1942, entitled 'An Act to Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation, and for Other Purposes'", the words "as amended by the Public Debt Act of 1943 (Public Law 34—78th Congress)".

2. Paragraph 4 of Title I is amended by inserting after the words "the Act of October 2, 1942" the words "as amended by the Public Debt Act of 1943".

3. Paragraph 4 of Title II is amended to read as follows:

"The National War Labor Board shall, by general regulation, make such exemptions from the provisions of this title in the case of small total wage increases as it deems necessary for the effective administration of this Order."

4. Paragraph 6 of Title II is amended to read as follows:

"Except as provided in regulations issued by the Director, no decrease shall be made by any employer in the salary for any particular work below the highest salary paid therefor between January 1, 1942, and September 15, 1942, if the effect of the decrease is to reduce the salary below \$5,000 per annum."

5. Paragraph 7 of Title II is deleted.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

September 25, 1943.

EXECUTIVE ORDER 9280

DELEGATING AUTHORITY WITH RESPECT TO THE NATION'S FOOD PROGRAM

By virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to assure an adequate supply and efficient distribution of food to meet war and essential civilian needs, it is hereby ordered as follows:

1. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized and directed to assume full responsibility for and control over the Nation's food program. In exercising such authority, he shall:

a. Ascertain and determine the direct and indirect military, other governmental, civilian, and foreign requirements for food, both for human and animal consumption and for industrial uses.

b. Formulate and carry out a program designed to furnish a supply of food adequate to meet such requirements, including the allocation of the agriculture productive resources of the Nation for this purpose.

c. Assign food priorities and make allocations of food for human and animal consumption to governmental agencies and for private account, for direct and indirect military, other governmental, civilian, and foreign needs.

d. Take all appropriate steps to insure the efficient and proper distribution of the available supply of food.

e. Purchase and procure food for such Federal agencies, and to such extent, as he shall determine necessary or desirable, and promulgate policies to govern the purchase and procurement of food by all other Federal agencies: *Provided*, That nothing in this subsection shall limit the authority of the armed forces to purchase or procure food outside the United States or in any theater of war as such purchase and procurement shall be required by military or naval operations, or the authority of any other authorized agency to purchase or procure food outside the United States for rehabilitation or relief purposes abroad. Existing methods for the purchase and procurement of food by other Federal agencies shall continue until otherwise determined by the Secretary pursuant to this Executive Order.

2. The Secretary shall recommend to the Chairman of the War Production Board the amounts and types of nonfood materials, supplies, and equipment necessary for carrying out the food program. Following consideration of these recommendations, the Chairman of the War Production Board shall allocate stated amounts of nonfood materials, supplies, and equipment to the Secretary for carrying out the food program; and the War Production Board, through its priorities and allocation powers, shall direct the use of such materials, supplies, and equipment for such specific purposes as the Secretary may determine.

3. Whenever the available supply of any food is insufficient to meet both food and industrial needs, the Chairman of the War Production Board and the Secretary shall jointly determine the division to be made of the available supply of such food. In the event of any difference of view between the Chairman of the War Production Board and the Secretary, such difference shall be submitted for final determination to the President or to such agent or agency as the President may designate.

4. The Secretary, after determining the need and the amount of food available for civilian rationing, shall, through the Office of Price Administration, exercise the priorities and allocation powers conferred upon him by this Executive Order for civilian rationing, with respect to (a) the sale, transfer, or other disposition of food by any person who sells at retail to any person, and (b) the sale, transfer, or other disposition of food by any person to an ultimate consumer, as is currently provided for in War Production Board Directive No. 1, dated January 24, 1942, and existing supplements thereto; and with respect to (c) the sale, transfer, or other disposition of food by any person at such other levels of distribution as he may determine; and in the administration or enforcement of any such priorities or allocation authority for civilian rationing, the Office of Price Administration, subject to the provisions of this Executive Order, is hereby authorized to exercise all the functions, duties, powers, authority, or discretion conferred upon the Price Administrator by Section 3 of Executive Order 9125 of April 7, 1942. The Secretary, before determining the time, extent, and other conditions of civilian rationing, shall consult with the Price Administrator.

5. In discharging his responsibility under this Executive Order with respect to the exportation of food, the Secretary shall collaborate with the other agencies concerned with the foreign aspects of the food program in the determination of plans, policies, and procedures for the feeding of the peoples in foreign countries and the production and stock-piling of food for use abroad. With respect to the issuance of the directives for the importation of food heretofore issued to the Board of Economic Warfare by the Chairman of the War Production Board under Executive Order No. 9128 of April 13, 1942, the Secretary shall issue those directives which relate to the importation of food for human and animal consumption, and the Chairman of the War Production Board and the Secretary shall jointly issue those directives which relate to the importation of food for industrial uses. The Chairman of the War Production Board shall continue to issue all other directives which relate to the importation of materials, supplies, and equipment required for the war production program and the civilian economy. Schedules of priorities heretofore prepared and issued by the Chairman of the War Production Board under Executive Order 9054 of February 7, 1942, for the importation by overseas transportation of food for human or animal consumption and for industrial uses shall be similarly issued, and transmitted to the Administrator of War Shipping Administration for his guidance.

6. In discharging his responsibility under this Executive Order, the Secretary shall, in the event of a shortage of domestic transportation service, and after consultation with the War Production Board for the purpose of adjusting the relative demands for the movement of food for human or animal consumption and the movement of commodities for other purposes, prepare schedules of priorities for the domestic movement of food, which the Office of Defense Transportation shall take into consideration in determining traffic movements.

7. (a) To advise and consult with him in carrying out the provisions of this Executive Order, the Secretary shall appoint a committee composed of representatives of the State, War, and Navy Departments, the Office of Lend-Lease Administration, the Board of Economic Warfare, the War Production Board, and such other agencies as the Secretary may determine to be concerned with the food program. The Food Requirements Committee of the War Production Board established by the Chairman of the War Production Board by memorandum dated June 4, 1942, is abolished effective as of the date of appointment of said advisory committee. The Secretary shall receive from the members of such

advisory committee estimates of food requirements, and consult with such committee prior to the making of food allocations under Section 1 (c) of this Executive Order. Such committee shall perform such other functions in connection with the food program as the Secretary may determine. The Secretary may, in his discretion, appoint such other advisory committees composed of representatives of governmental or private groups interested in the food program as he deems appropriate.

b. Section 1 of Executive Order No. 9024, dated January 16, 1942, is amended to provide that the Secretary shall be a member of the War Production Board.

8. The Secretary, in carrying out the responsibilities imposed on him by this Executive Order, may, subject to the provisions of this Executive Order, exercise the following powers in addition to the powers heretofore vested in him:

a. The power conferred upon the Department of Agriculture with respect to contracts by Executive Order No. 9023 of January 14, 1942.

b. The power conferred upon the President by Title III of the Second War Powers Act, 1942, insofar as it relates to priorities and allocations of (1) all food for human or animal consumption or for other use in connection with the food program, but excluding that food which has been determined to be available to the War Production Board for industrial purposes pursuant to Section 3 of this Executive Order; (2) those portions of nonfood materials, supplies, and equipment which have been allocated by the War Production Board under Section 2 of this Order for carrying out the food program; (3) any other material or facility, when the Secretary determines that it is necessary, in order to carry out the provisions of this Executive Order, to exercise the priorities or allocation power with respect thereto: *Provided*, That in order to avoid overlapping and conflicting action, prior to taking action pursuant to item (3) hereof, the Secretary shall inform the Chairman of the War Production Board of the action proposed to be taken, and in the event that the Chairman of the War Production Board shall object, the issue shall be determined by the President or such agent or agency as he may designate. Contracts or orders, relating to the materials and facilities specified in this subsection, made by the Secretary, or by any other officer or agency of the Government at the Secretary's direction, and subcontracts and suborders which the Secretary shall deem necessary or appropriate to the fulfillment of any such contract or order, are hereby declared to be necessary and appropriate to promote the defense of the United States. The Secretary may assign priorities with respect to deliveries under any such contract, order, subcontract or suborder, and he may require acceptance of and performance of any such contract, order, subcontract or suborder, in preference to other contracts or orders for the purpose of assuring such priority. Allocations of materials and facilities under this subsection may be made by the Secretary in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate in the public interest, to promote the national defense, and to carry out the provisions of this Executive Order.

c. The powers under the Act of October 10, 1940 (54 Stat. 1090), as amended by the Act of July 2, 1942 (56 Stat. 467), and the Act of October 16, 1941 (55 Stat. 742), as amended by Title VI of the Second War Powers Act, 1942, heretofore vested in the War Production Board by Executive Order No. 8942 of November 19, 1941, Executive Order No. 9024 of January 16, 1942, and Executive Order No. 9040 of January 24, 1942, with respect to the requisitioning of food for human or animal consumption.

d. The powers of acquisition of property under the Act of July 2, 1917 (40 Stat. 241), as amended by Title II of the Second War Powers Act, 1942.

e. The powers of taking over and operating facilities under Section 120 of the National Defense Act of 1916 (39 Stat. 213) and Section 9 of the Selective Training and Service Act of 1940 (54 Stat. 892).

f. The powers with respect to antitrust prosecutions vested in the Chairman of the War Production Board by Section 12 of the Act of June 11, 1942, Public Law 603, 77th Congress.

g. The power of inspection and audit of the war contractors (including the power of subpoena) under Title XIII of the Second War Powers Act, 1942.

9. The Secretary is authorized to delegate any or all functions, responsibilities, powers (including the power of subpoena), authorities, or discretions conferred upon him by this Executive Order to such person or persons within the Department of Agriculture as he may designate or appoint for that purpose. The Secretary may, except as otherwise provided herein, delegate to any appropriate Federal, state, or local governmental agency, officer, or employee, in such manner and for such periods of time as he shall deem advisable, the execution of

any of the provisions of this Executive Order together with any powers of the Secretary under this Executive Order. To the fullest extent compatible with efficiency the Secretary shall utilize existing facilities and services of other governmental departments and agencies and may accept the services and facilities of any state or local governmental agency in carrying out his responsibilities defined hereunder.

10. As used herein, the term "food" shall mean all commodities and products, simple, mixed, or compound, or complements to such commodities or products that are or may be eaten or drunk by either humans or animals, irrespective of other uses to which such commodities or products may be put, and at all stages of processing from the raw commodity to the product thereof in a vendible form for immediate human or animal consumption, but exclusive of such commodities and products as the Secretary shall determine. For the purposes of this Executive Order, the term "food" shall also include all starches, sugars, vegetable and animal fats and oils, cotton, tobacco, wool, hemp, flax fiber, and such other agricultural commodities and products as the President may designate.

11. In the event of any difference of view arising between the Secretary and any other officer or agency of the Government, in the administration of the provisions of this Executive Order, such difference of view shall be submitted for final decision to the President or such agent or agency as the President may designate.

12. The personnel, property, records, unexpended balances of appropriations, allocations, and other funds of the War Production Board primarily concerned with and available for, as determined by the Director of the Bureau of the Budget, the discharge of any of the functions, responsibilities, powers, authorities, and discretions that are vested in the Secretary by this Executive Order are hereby transferred to the Department of Agriculture. In determining the amounts transferred hereunder, allowance shall be made for the liquidation of obligations previously incurred against such balances of appropriations, allocations, or other funds transferred.

13. To facilitate the effective discharge of the Secretary's responsibility under this Executive Order, the following changes are made within the Department of Agriculture:

a. The Agricultural Conservation and Adjustment Administration (except the Sugar Agency), the Farm Credit Administration, the Farm Security Administration, and their functions, personnel, and property; the functions, personnel, and property of the Division of Farm Management and Costs of the Bureau of Agricultural Economics concerned primarily with the planning of current agricultural production; the functions, personnel, and property of the Office of Agricultural War Relations concerned primarily with the production of food; and the functions, personnel, and property established in or transferred to the Department by this Executive Order that are concerned primarily with the production of food, are consolidated into an agency to be known as the Food Production Administration of the Department of Agriculture. The Food Production Administration shall be under the direction and supervision of a Director of Food Production appointed by the Secretary.

b. The Agricultural Marketing Administration, the Sugar Agency of the Agricultural Conservation and Adjustment Administration, and their functions, personnel, and property; the functions, personnel, and property of the Bureau of Animal Industry of the Agricultural Research Administration concerned primarily with regulatory activities; the functions, personnel, and the property of the Office of Agricultural War Relations concerned primarily with the distribution of food; and the functions, personnel, and property established in or transferred to the Department of Agriculture by this Executive Order that are concerned primarily with the distribution of food are consolidated into an agency to be known as the Food Distribution Administration of the Department of Agriculture. The Food Distribution Administration shall be under the direction and supervision of a Director of Food Distribution appointed by the Secretary.

c. So much of the unexpended balances of appropriations, allocations, or other funds available (or to be made available) for the use of any agency in the exercise of any function transferred or consolidated by subsections a and b of this section or for the use of the head of any agency in the exercise of any function so transferred or consolidated, as the Director of the Bureau of the Budget shall determine, shall be transferred for use in connection with the exercise of the function so transferred or consolidated. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the

liquidation of obligations incurred against such balances of appropriations, allocations, or other funds prior to the transfer.

14. Any provision of any Executive Order or proclamation conflicting with this Executive Order is superseded to the extent of such conflict. All prior directives, rules, regulations, orders, and similar instruments heretofore issued by any Federal agency which affect the subject matter of this Executive Order shall continue in full force and effect unless and until withdrawn or superseded by or under the direction of the Secretary under the authority of this Order. Nothing in this Order shall be construed to limit the powers exercised by the Economic Stabilization Director under Executive Order 9250 dated October 3, 1942, as amended. Nothing in this Order shall be construed to limit the power now exercised by the Price Administrator under the Emergency Price Control Act of 1942, Public Law 421, 77th Congress, as amended, or the Act of October 2, 1942, Public Law 729, 77th Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
December 5, 1942.

EXECUTIVE ORDER 9299

PREScribing REGULATIONS AND PROCEDURE WITH RESPECT TO WAGE AND SALARY ADJUSTMENTS FOR EMPLOYEES SUBJECT TO THE RAILWAY LABOR ACT

By virtue of the authority vested in me by the Constitution and statutes of the United States, and more particularly by the act of October 2, 1942 (Public Law 729, 77th Congress), it is hereby ordered:

1. No increases in the wage rates or salary of any employee subject to the provisions of the Railway Labor Act, whether granted as a result of voluntary agreement, collective bargaining, conciliation, arbitration, or otherwise, and no decreases in such wage rates or salary, shall be made except in accordance with the provisions of this order; provided, however, that nothing contained in this order or Executive Order No. 9250 shall be construed as affecting the procedure or limiting the jurisdiction of either the National Mediation Board, as defined in the Railway Labor Act, or the National Railway Labor Panel, as defined in Executive Order No. 9172, except as herein specifically set forth.

2. No carrier shall make any change in wage rates, except such changes as by general order of the National War Labor Board, or by regulations of the Commissioner of Internal Revenue, are permitted to be made without the specific approval of the Board or the Commissioner, as the case may be, unless notice of such proposed change shall have been filed with the Chairman of the National Railway Labor Panel, created by Executive Order No. 9172, and shall have been permitted to become effective as hereinafter provided.

Notwithstanding § 4001.2 of the Regulations of the Economic Stabilization Director, for the purpose of determining what wage and salary adjustments may be made without any specific approval, the general orders of the National War Labor Board shall be applicable to all employees subject to the Railway Labor Act, except those receiving salaries at the rate of \$5,000 or more per annum in regard to whom the regulations of the Commissioner of Internal Revenue shall apply. But any adjustment of salary under \$5,000 heretofore approved by the Commissioner shall not be affected by this order.

3. If the Chairman of the National Railway Labor Panel has reason to believe that the proposed change, in wage rates or salary, may not conform to the standards prescribed in Executive Order No. 9250, or to the general stabilization program made effective thereunder, or to the directives on policy issued by the Economic Stabilization Director thereunder and the proposed change is not modified to conform to such standards, program, and directives, he shall designate three members of the Panel as an Emergency Board to investigate the proposed change and to report to the President. Otherwise, the Chairman of the Panel may permit the proposed change to become effective.

4. Emergency Boards, whether designated pursuant to the Railway Labor Act, Executive Order No. 9172, or section 3 of this order, in reporting to the President shall certify that their recommendations in regard to any proposed change affecting wage and salary payments conform with the standards prescribed in Executive Order No. 9250, the general stabilization program made effective thereunder, and with the directives on policy issued by the Economic Stabilization Director thereunder.

5. Copies of the report with recommendations made to the President by any Emergency Board under section 4 of this order shall be filed by the Board forthwith with the Economic Stabilization Director, the National War Labor Board and the Commissioner of Internal Revenue. The Economic Stabilization Director may on behalf of himself or other departments and agencies concerned, report to the President the effect of the recommendations on the general stabilization program. Unless and except to the extent that the Economic Stabilization Director shall otherwise direct, the recommendations of the Emergency Board in regard to proposed changes affecting wages and salary payments shall, upon the expiration of thirty days after the report is filed with the President, become effective.

6. The National War Labor Board and the Commissioner of Internal Revenue shall either rule on any application for approval of wage and salary adjustments now before the Board and the Commissioner or transfer it to the Chairman of the National Railway Labor Panel. The Board and the Commissioner shall not rule on any application hereafter made.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
February 4, 1943.

EXECUTIVE ORDER 9322

CENTRALIZING AND DELEGATING AUTHORITY WITH RESPECT TO THE PRODUCTION AND DISTRIBUTION OF FOOD

By virtue of the authority vested in me by the Constitution and the statutes of the United States, particularly by the First War Powers Act, 1941, as President of the United States and Commander in Chief of the Army and Navy, and in order to assure an adequate supply and efficient distribution of food to meet war and essential civilian needs, it is hereby ordered as follows:

1. The Food Production Administration (except the Farm Credit Administration), the Food Distribution Administration, the Commodity Credit Corporation, and the Extension Service are hereby consolidated within the Department of Agriculture into an Administration of Food Production and Distribution to be under the direction and supervision of an Administrator. The Administrator shall be appointed by the President and shall be directly responsible to him.

2. All of the powers, functions, and duties conferred upon the Secretary of Agriculture by Executive Order No. 9280, dated December 5, 1942, are transferred to and shall be exercised by the Administrator. The Secretary of Agriculture shall, however, continue as Chairman of the Inter-Departmental Committee set up by section 7 (a) of Executive Order No. 9280 to advise the Administrator, and the Administrator shall become a member of such committee. The Secretary of Agriculture shall continue as a member of the War Production Board as provided in section 7b of Executive Order No. 9280. The Secretary of Agriculture shall continue as the American representative on the Combined Food Board.

3. The personnel, property, and records used primarily in the administration of the functions, powers, and duties transferred and consolidated by this order are transferred to the Administrator. So much of the unexpended balances of appropriations, allocations, and other funds available to the Department of Agriculture for the said purposes as the Director of the Bureau of the Budget shall determine shall be transferred to the Administrator for use in connection with the exercise of the functions, powers, and duties so transferred. The authority heretofore vested in the Secretary of Agriculture over personnel of divisions, bureaus, and agencies transferred to and consolidated under the Administrator is vested in the Administrator. The powers in respect to labor and manpower heretofore vested in the Secretary of Agriculture by the orders of the Economic Stabilization Director or the Chairman of the War Manpower Commission are vested in the Administrator. The authority heretofore vested in the Secretary of Agriculture under Title IV of Executive Order 9250 is vested in the Administrator.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
March 26, 1943.

EXECUTIVE ORDER 9328

STABILIZATION OF WAGES, PRICES, AND SALARIES

By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the First War Powers Act, 1941, and the Act of October 2, 1942, entitled "An Act to Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation, and for Other Purposes," as President of the United States and Commander in Chief of the Army and Navy, and in order to safeguard the stabilization of prices, wages, and salaries, affecting the cost of living on the basis of levels existing on September 15, 1942, as authorized and directed by said Act of Congress of October 2, 1942, and Executive Order No. 9250 of October 3, 1942, and to prevent increases in wages, salaries, prices, and profits, which, however justifiable if viewed apart from their effect upon the economy, tend to undermine the basis of stabilization, and to provide such regulations with respect to the control of price, wage, and salary increases as are necessary to maintain stabilization, it is hereby ordered as follows:

1. In the case of agricultural commodities the Price Administrator and the Administrator of Food Production and Distribution (hereinafter referred to as the Food Administrator) are directed, and in the case of other commodities the Price Administrator is directed to take immediate steps to place ceiling prices on all commodities affecting the cost of living. Each of them is directed to authorize no further increases in ceiling prices except to the minimum extent required by law. Each of them is further directed immediately to use all discretionary powers vested in them by law to prevent further price increases direct or indirect, to prevent profiteering and to reduce prices which are excessively high, unfair, or inequitable. Nothing herein, however, shall be construed to prevent the Food Administration and the Price Administrator, subject to the general policy directives of the Economic Stabilization Director, from making such readjustments in price relationships appropriate for various commodities, or classes, qualities, or grades thereof or for seasonal variations or for various marketing areas, or from authorizing such support prices, subsidies, or other inducements as may be authorized by law and deemed necessary to maintain or increase production, provided that such action does not increase the cost of living. The power, functions, and duties conferred on the Secretary of Agriculture under section 3 of the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) and under section 3 of the Act of October 2, 1942 (Public Law 729, 77th Cong.) are hereby transferred to, and shall be exercised by the Food Administrator.

2. The National War Labor Board, the Commissioner of Internal Revenue, and other agencies exercising authority conferred by Executive Order No. 9250 or Executive Order 9299 and the regulations issued pursuant thereto over wage or salary increases are directed to authorize no further increase in wages or salaries except such as are clearly necessary to correct substandards of living, provided that nothing herein shall be construed to prevent such agencies from making such wage or salary readjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel Formula as heretofore defined by the National War Labor Board, for the rise in the cost of living between January 1, 1941, and May 1, 1942. Nor shall anything herein be construed to prevent such agencies, subject to the general policies and directives of the Economic Stabilization Director, from authorizing reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages or the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the bases either to increase prices or to resist otherwise justifiable reductions in prices.

3. The Chairman of the War Manpower Commission is authorized to forbid the employment by any employer of any new employee or the acceptance of employment by a new employee except as authorized in accordance with regulations which may be issued by the Chairman of the War Manpower Commission, with the approval of the Economic Stabilization Director, for the purpose of preventing such employment at a wage or salary higher than that received by such new employee in his last employment unless the change of employment would aid in the effective prosecution of the war.

4. The attention of all agencies of the Federal Government, and of all State and municipal authorities, concerned with the rates of common carriers or other public utilities, is directed to the stabilization program of which this order is a part so that rate increases will be disapproved and rate reductions effected, consistently with the Act of October 2, 1942, and other applicable federal, state or

municipal law, in order to keep down the cost of living and effectuate the purposes of the stabilization program.

5. To provide for the consistent administration of this order and Executive Order No. 9250, and other orders and regulations of similar import and for the effectuation of the purposes of the Act of October 2, 1942, the Economic Stabilization Director is authorized to exercise all powers and duties conferred upon the President by that Act, and the Economic Stabilization Director is authorized and directed to take such action and to issue such directives under the authority of that Act as he deems necessary to stabilize the national economy, to maintain and increase production and to aid in the effective prosecution of the war. Except insofar as they are inconsistent with this order or except insofar as the Director shall otherwise direct, powers and duties conferred upon the President by the said Act and heretofore devolved upon agencies or persons other than the Director shall continue to be exercised and performed by such agencies and persons.

6. Except insofar as they are inconsistent with this order, Executive Order 9250 and the regulations issued pursuant thereto shall remain in full force and effect.

FRANKLIN D. ROOSEVELT.

The WHITE HOUSE,
April 8, 1943.

EXECUTIVE ORDER 9334

WAR FOOD ADMINISTRATION

Executive Order No. 9322 of March 26, 1943, entitled "Centralizing and Delegating Authority with Respect to the Production and Distribution of Food," is hereby amended to read as follows:

"By virtue of the authority vested in me by the Constitution and the statutes of the United States, particularly by the First War Powers Act, 1941, as President of the United States and Commander in Chief of the Army and Navy, and in order to assure an adequate supply and efficient distribution of food to meet war and essential civilian needs, it is hereby ordered as follows:

"SECTION 1. The Food Production Administration (except the Farm Credit Administration), the Food Distribution Administration, the Commodity Credit Corporation, and the Extension Service, together with all their powers, functions, and duties, are hereby consolidated within the Department of Agriculture into a War Food Administration, to be administered under the direction and supervision of a War Food Administrator. The Administrator shall be appointed by the President and shall be directly responsible to him.

"SEC. 2. All powers, functions, and duties of the Secretary of Agriculture (a) under Executive Order No. 9280 of December 5, 1942, (b) under Title IV of Executive Order No. 9250 of October 3, 1942, (c) which relate to labor and manpower under orders of the Economic Stabilization Director or the Chairman of the War Manpower Commission, (d) which relate to or which have heretofore been exercised through or in connection with the agencies, including corporations, consolidated by section 1 of this order, and (e) which relate to personnel, property and records transferred by section 3 of this order, are transferred to and shall be exercised and performed by the War Food Administrator (in addition to the powers, functions, and duties conferred upon him by Executive Order No. 9328 of April 8, 1943); but the Secretary of Agriculture shall continue as chairman of the interdepartmental committee set up by section 7 (a) of Executive Order No. 9280, as a member of the War Production Board as provided in section 7b of Executive Order No. 9280, and as the American representative on the Combined Food Board. The War Food Administrator shall be a member of the said interdepartmental committee, which shall be advisory to him. He shall also be alternate American representative on the Combined Food Board.

"SEC. 3. For use in connection with the exercise or performance of the powers, functions, and duties consolidated and transferred by this order, so much of the unexpended balances of appropriations, allocations, and other funds available to the Department of Agriculture for such purposes, as the Director of the Bureau of the Budget shall determine, and all of the personnel, property, and records used primarily in the administration of such powers, functions, and duties, are hereby transferred to the War Food Administration.

"SEC. 4. In addition to the powers and authority granted by this order, and in order to carry out its purposes, the Secretary of Agriculture and the War Food

Administrator, to the extent necessary to enable them to perform their respective duties and functions, shall each have authority to exercise any and all of the powers vested in the other by statute or otherwise; and the exercise of any such power by either of them shall be deemed to be authorized and in accordance with this order, and shall not be subject to challenge by any third party affected by the exercise of the power on the ground that the action taken was within the jurisdiction of the Secretary of Agriculture rather than the War Food Administrator, or vice versa.

"SEC. 5. Any provision of any Executive order or proclamation conflicting with this Executive order is superseded to the extent of such conflict. All prior directives, rules, regulations, orders, and similar instruments heretofore issued by any Federal agency relating to matters concerning which authority is vested in the War Food Administrator by this order shall continue in full force and effect unless and until modified or revoked by orders or directives issued by or under the direction of the War Food Administrator pursuant to authority vested in him."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
April 19, 1943.

PART III.—STATEMENTS OF ADMINISTRATIVE OFFICIALS

STATEMENT OF CHESTER BOWLES, PRICE ADMINISTRATOR

(The following statement was submitted in writing by Mr. Bowles to be included in the record of the committee's hearings. It was not read by him to the committee.)

Mr. BOWLES. In my appearance this morning before the committee I assume there is general agreement that the price control statutes must be continued. This assumption is warranted, I believe, by the fact that nothing has occurred in the 2 years since the enactment of the Emergency Price Control Act which lessens the force of the considerations which originally led to its passage. Quite the contrary.

Today our armies are poised and ready. Industry and agriculture are operating under a forced head of steam, under pressures greater than ever before known. If controls of the price and wage structure were wise in 1942, today they are imperative.

Have actual operations brought out defects in the law? Has experience during the past 2 years shown that revision and improvement of the statutes are necessary? These are the questions which I am sure the committee will wish to examine with care.

In enacting the price-control statute in January 1942 the Congress acted in the light of our experience in the last war. The determination was made that this time war inflation and post-war deflation must be prevented. In the last war prices skyrocketed. Steel plates rose from 1 cent to 9 cents a pound. Petroleum went from 75 cents to \$3.50 a barrel. Wool increased from 61 cents to \$2.05 a pound. Industrial prices as a whole rose 165 percent during that period, enormously increasing the cost of the war. Out of the total war bill of 32 billion, 13½ billion represented inflated prices.

The cost of living skyrocketed, too. Sugar, let me remind you, sold for 27 cents a pound. That's not a poor man's price. Butter sold for 78 cents a pound and eggs at more than 90 cents a dozen. There were millions of Americans who forgot the taste of eggs and butter.

In terms of the averages, retail food prices rose 126 percent, clothing rose 200 percent, and housefurnishings 179 percent. The cost of living as a whole, including everything, more than doubled. There were high-cost-of-living riots during this period, and the Government

was bitterly criticized for having permitted prices to go through the roof.

And as always what went up came down. Prices went up fast, they came down hard. Not only prices, but wages and profits and farm incomes went into a tailspin. In 1921, for corporations as a whole, profits were completely wiped out. What is more, an \$11,000,000,000 loss on inventories washed out almost all the financial reserves that had been accumulated during the war. Farm prices were cut in half and farmers were left saddled with back-breaking debts for 2 decades. Four hundred and fifty-three thousand lost their farms in the first 5 years alone. Factory pay rolls fell 44 percent and employment 31 percent.

That is the ugly story. That is the story which Congress had before it when these wartime price-control statutes were enacted. It is against this background that we must judge the performance of the Office of Price Administration. The fact is that this time we have held the cost of living to an increase less than half as great as that which took place during the same period of the last war. We have held industrial prices to less than a quarter of their rise during the same months of the last war. The record shows that for the past 11 months we have held the cost of living and the wholesale price level without any net increase whatever.

Before tracing our actual performance in full detail, let me take up the matter of administration, for it is my conviction that it has been defects of administration, rather than of the statutes themselves, which have occasioned the criticisms of the Office of which the Congress is aware.

The administration of O. P. A.—there is no gainsaying this—has frequently creaked and groaned. This, under the circumstances, was inevitable. These were the “growing pains” of administration. They grew out of the magnitude of the job, the short notice on which it had to be tackled, and the lack of experience to guide us. Many of the defects in our operations have already been overcome. On others steady progress is being made. The record that has been made in spite of these difficulties testifies to the wisdom of the statutes.

Let me devote a little time to these “growing pains.” For while the point is easily made, the full significance of the administrative difficulties is not readily grasped unless some detail is given.

Everyone will agree that the O. P. A. has a big job. But one cannot fully realize how big that job is.

Today we control upward of 8,000,000 prices and our regulations reach into 3,000,000 business establishments, at every level of production and trade.

There are 14,000,000 rented dwelling units occupied by 45,000,000 people covered by our rent-control regulations.

Food rationing requires direct contact with 30,000,000 housewives, representing 132,000,000 men, women, and children.

Thirty-nine million drivers have to be issued gasoline rations. Of these, 16,000,000 hold B and C books which must be tailored to the needs of the individual and which are reviewed and modified every 3 months.

Fuel-oil rationing adds another 12,000,000 householders and building managers to our list of clients. Like the B and C gasoline rations,

these too cannot be determined upon a uniform basis but must be tailored to individual needs.

To carry the enormous responsibilities of the Office we have at this time a total of 161,000 workers. Of these, 55,000 are paid employees and 106,000 are volunteers. The number of volunteers has been as high as 325,000 in connection with our major ration registrations.

Of this force, 141,000 serve on or with the 5,400 local war price and rationing boards, 13,800 are in the 93 district offices, and 3,400 in the 9 regional offices, and 3,800 are in the national office here in Washington. In the aggregate, this organization constitutes the largest governmental establishment in our history, except for the armed forces themselves. Yet this wartime force, enormous though it is, still falls short of the job it has to do.

The responsibilities assigned to us were big and we were forced to shoulder the first of them almost overnight. Pearl Harbor cut off our supply of rubber. Tire rationing became a matter of overriding urgency. A program had to be worked out, the necessary forms had to be printed and distributed, thousands of local ration boards had to be established, manned, and instructed.

All this was done in just 29 days. Of course there were mistakes. If we had had 6 months to do the job, it would have been handled with fewer errors. But a delay of 6 months then might have meant that hundreds of thousands of cars and trucks which today are providing essential war transportation would instead be off the roads.

While the agency was still wrestling with the problem of tire rationing and of local board organization, two more rationing programs were assigned to us. The growing shortage of shipping necessitated a quick reduction of civilian sugar supply. To spread these supplies evenly a rationing system was needed quickly. In early April 132,000,000 individual sugar ration coupon books, one for every man, woman and child in the country, were distributed by the O. P. A. to 30,000,000 American families.

In the meantime a crisis was brewing on gasoline. Sinkings off the east coast had begun to choke off the supply of gasoline in the East. Unprepared and inadequately staffed, we undertook to ration because the alternative was transportation chaos throughout the industrial East.

An emergency system of card rationing of gasoline began in May. Scarcely had it been replaced, in July, by the most carefully designed coupon rationing than another major program was called for, this time in fuel oil. Between August and October a fuel-oil program was worked out and put into operation in 30 States and the District of Columbia.

In spite of everything we could do, there were plenty of mistakes in the fuel-oil program. I know because, as O. P. A. director of Connecticut, I was right in the midst of it.

It was a bitter winter for hundreds of families along the east coast. But had we not launched that rationing program, a responsibility for which we were still far from properly staffed, the heating situation in hundreds of thousands of homes might well have been desperate.

If the rationing staff of the O. P. A. could have devoted its entire efforts to fuel-oil rationing it would have been a different task at best. However, during those same months coffee rationing had to

be introduced and gasoline rationing extended to the entire country. We had also been put on notice by the agencies in charge of basic supplies that by spring the rationing of meats and processed foods would be imperative. This meant the development of a whole new consumer rationing program covering all the food items in the country. It meant the distribution of 132,000,000 new ration books to every family in the country.

What I am saying is that for 16 solid months—from December 7, 1941, down to April 1943—we were under constant pressure. Hardly did we launch one rationing program before another was required of us. These were hectic, feverish months. There was no time to iron out all the kinks in the programs. With the limited and inexperienced staff at our disposal, that simply had to wait until later.

In the price program it was the same story again—urgency all the way. We were always at least one jump behind requirements. Regulations could not be issued rapidly enough—and those issued could not be amended rapidly enough—to keep up with the spread and growth of pressure on prices. Within 90 days of the passage of the Price Control Act we were forced by the pressure of the wartime program to abandon the piecemeal process we had been following and to bring virtually the entire economy under price control. The General Maximum Price Regulation covering most retail sales went into effect in May 1942.

Even this did not give the breathing spell. Wages and farm prices continued to move up with no slackening of pace. Under these pressures on the cost of production and the cost of living, the Office was forced continuously to amend and to add to the price regulation. It was these circumstances, as this committee will recall, which led to the passage of the act of October 2, 1942.

This act greatly broadened our power to stabilize farm prices and at the same time provided a statutory basis for the stabilization of wages. Yet the accumulation of pressures preceding the passage of the act was so great as still to drive the Office from amendment to amendment and from new regulation to new regulation. It was not until the end of June 1943 that the price structure was finally brought under control, and this was possible only because at key points subsidies were thrown into the breach.

Thus, both in rationing and in price control—and the story could be duplicated for rent control as well—the early story of O. P. A. is the story of a job whose magnitude and urgency were unprecedented, a job that had to be tackled with an organization built from scratch, using techniques which were new to all, and operating under conditions which did not permit of anything properly called training. If ever an organization had to learn the hard way, that organization was the O. P. A.

What was hard on the O. P. A. was hard on the country, too. It was just about this time when the Agency was finally in position to get on top of its job that public dissatisfaction with the O. P. A. reached its peak. This is not difficult to understand. The defects of administration which were the cause of this dissatisfaction were the price we paid for the speed of our growth during that year and a half.

First, there was the complexity of our regulations and of the forms which businessmen were required to submit. While many of these regulations and most of the amendments were necessary to provide

relief from increased costs, in the aggregate their complexity was vexatious in the extreme.

Second, there was the failure to consult with the industries affected by the regulations. While many industry committees had been set up and were consulted, the coverage was spotty, and committees themselves frequently were not properly representative, and contact with them was not sufficiently continuous. In my judgment, the widespread feeling among businessmen that they were being inadequately consulted, their sense of nonparticipation, was the most serious element in the dissatisfaction of that time.

Third, was the overcentralization of the agency. This meant the unnecessary overburdening of the central staff. It meant, too, that powers were withheld from the 9 regional offices and 93 district offices which they needed to do their job properly. Thus operations suffered both in Washington and in the field as well.

Fourth, were defects of internal organization. Last June the O. P. A. was not organized with clear and simple lines of responsibility. It was shot through with a system of checks and balances.

The line of operating responsibility, to be sure, ran clearly from the Administrator through the deputies for price, rent, and rationing to the division directors and their branch chiefs. But paralleling this there was an independent line of responsibility from the Administrator through the chief counsel to the counsels of departments, divisions, and branches. And a third line of responsibility ran from the Administrator through the deputy for professional services to the economists and accountants.

This arrangement, with its heavy underscoring of caution, meant overmeticulous consideration of action. It meant red tape and delay.

Fifth, there had developed a serious imbalance in personnel. Although a high proportion of the Washington staff in the lower ranks had been recruited from business, there were relatively few businessmen of wide experience at key posts. Coupled with inadequate industry consultation, this was a source of profound misgiving. It was not only that the agency did not "talk the language" of business; it did not fully make use of business experience in the positions where such experience could be most useful.

It was just about this time, when the period of growth and of rapid extension of control was coming to an end, with its inevitable accumulation of trains and defects, that I came to Washington as general manager. For 2 years I had been in the field organization of O. P. A. as State director of Connecticut. I had seen the organization grow up from scratch, taking on program after program.

I knew at first hand how big the job was and how much had already been done. I came to Washington with the keenest appreciation of the accomplishments of the Office. My job, as I saw it, was to iron out the kinks which had developed and which had caused so much irritation and dissatisfaction. I saw it as my job to put the organization on a businesslike—or if you prefer, on a workmanlike—basis.

Since last August great changes have taken place and others are in the making.

(1) A great many of our regulations and forms have been simplified. Let me cite as an example the community dollars-and-cents food program, which provides the simplest kind of price control for the food merchant, as it does for the consumer too. Our financial reporting forms, which have been cut from 21 to 8 pages, are another

example. One corporation executive informed me recently that it took them only 1 hour to fill out these questionnaires.

(2) Full consultation with industry has become the rule. Three hundred eighty-eight industry advisory committees have been set up. Their total membership comes to 5,025. They are consulted regularly. In a recent 5-week period a total of 2,499 meetings were held with these formal committees and with informal committees of businessmen here in Washington and in the field.

(3) Our operations have been greatly decentralized. Increased responsibility has been given the regional administrators and district directors and the functions of the local war price and rationing boards have been increased. To match this shift of responsibility, \$4,000,000 was shifted from the Washington and regional office budgets to those of the district offices and local boards. A program of increased help, supervision, and information for the local boards has been launched.

(4) A separate department of field operations has been established to provide direct and rapid intercommunication between Washington and the field. Most of the blockages between the central office and the field organization have been eliminated.

(5) The organization in Washington has been streamlined to provide a single clear line of responsibility from the Administrator through the deputies for price, rent and rationing to their division directors and branch executives. The legal and professional services departments have been abolished. The lawyers, accountants, and economists are now responsible to the administrative heads of the operating units to which they are assigned. While this permits of full review of the facts and of the law in the preparation of regulations, it fixes responsibility upon the operating heads and enables decisions to be made with a minimum of delay.

(6) Coupled with this clarification of operating responsibility, a separate enforcement department has been established in which is vested sole and full responsibility for this aspect of our work.

(7) A sharp line has been drawn between enforcement and compliance, the one calling for punitive action, and the other for explanation and education. Price panels have been established in the local boards whose function it is to provide friendly explanation of price regulations by local people to local merchants to improve compliance with the regulations.

(8) An extensive restaffing of the agency has been accomplished. Forty-six successful and experienced businessmen, practically all of whom left jobs paying several times their Government salaries, have been placed in the policy-making positions. Furthermore, a thorough weeding-out operation has taken place and every effort has been made to find the right man for the job and the right job for the man. While much remains to be done, the present working force is well balanced and is working with high efficiency and morale.

(9) Cooperation with other Government agencies has been vastly improved and machinery has been set up for continuous collaboration.

(10) Our information department has been reorganized and largely restaffed. Great strides have been made in putting before the country the facts about our scarce supplies, the reasons for rationing, rent control and price control and the part the average citizen must play in stamping out our black markets, and the part each citizen must play if the wartime job of stabilization is to succeed.

(11) There has been considerable reshuffling of the budget in line with the change in programs and work load.

These changes, and others, have vastly improved our administration. Together with the fund of know-how which we have accumulated, they have gone a long way toward eliminating many of the annoyances and irritations and vexations of last spring. The country knows this and we observe the difference in the news and editorial treatment, in our mail, and in the communications we receive from Capitol Hill. This committee will be interested, I think, to learn that since February 1943 the weekly total of congressional letters received in our Washington office has declined 56 percent.

I have spoken frankly of the inadequacies of our administration. Let me be equally frank in speaking of our achievements. In the cooler perspective of the post-war years the job that has been done by the Office of Price Administration will, I believe, be recognized as one of the best jobs done during the war.

Let us examine the details of the performance, which as I earlier indicated stack up so amazingly against the performance in the last war. And let us not forget that, in terms of the pressures upon prices, the last war was a skirmish in comparison with this one. The entire war last time cost the Treasury \$32,000,000,000. In this war we spend that much just about every 4 months. Last time war took a quarter of our output for a year and a half; this time it is taking one-half and we are well into the third year of fighting.

Despite the fact that the pressures were so vastly greater, wholesale prices are currently only 38 percent above their level just before the outbreak of war in 1939. During the same period of the last war they rose 103 percent. If we exclude foods and farm products, the prices of which were abnormally low in 1939, the contrast is even more striking. Industrial prices have risen 22 percent this time as against a rise of 95 percent in the last war. Thus, with pressures which we will all accept as far greater than during World War No. 1, the total price rise on war materials has been held to less than a quarter as much.

The cost of living comparison tells the same story. After 53 months of World War No. 1 the cost of living was up 65 percent. In January of this year, 53 months after August 1939, the cost of living had risen only 26 percent, less than half the rise in the last war. Food has increased 46 percent as against 83, clothing by 34 as against 112 percent, and housefurnishings by 27 percent as compared with a rise of 99 percent last time.

If we hold fast to the levels now prevailing we shall wind up this war with a rise in the cost of living only one-fourth as great and a rise in industrial prices only one-seventh as great as that which was reached at the peak of inflation of World War No. 1.

There are few who would deny that prices and the cost of living have been effectively stabilized under the present price-control statutes. There is no blinking the fact that three-fifths of the rise in the cost of living since August 1939 occurred before the passage of the Price Control Act; that since May 1942 when the first controls were placed on prices at retail the cost of living has risen only 7 percent; that since last April, 11 months ago, the cost of living has shown no net change whatsoever and the level of wholesale prices is actually $\frac{1}{2}$ percent lower.

There is, I say, no question that prices have been stabilized. But some voices are occasionally raised to say that price stability has been secured at the expense of production, that prices have not always been generally fair and equitable, and that farmers and small business has suffered under price control. Such charges as generalities are without foundation.

Industrial production has more than doubled since 1939. Notice that I am now talking, not about prices, which can be marked up overnight, but about production, which can be got only by toil and sweat. During the last war industrial production increased by only 25 percent, one-quarter as much. A comparison of these increases with the price movements in the two periods brings out an interesting reversal. In World War No. 1, prices doubled while production increased by only one-quarter. In this war it is production which has doubled and prices which have risen by less than a quarter.

Farm production in 1943 was 21 percent greater than in 1939. In the last war farm production increased only 5 percent. Since farmers operate close to capacity in bad years as in good, this increase measures an increase in capacity itself and is as notable as the more dramatic rise of industrial output.

Since 1939, a corporation profits before taxes have increased from 5.3 to 23 billion, or 336 percent. In spite of the excess-profits tax and the increase in the rate of normal tax, profits after taxes increased from 4 to 8.5 billion, or 110 percent. These represent the highest levels of earnings, before or after taxes, ever reached by American business. They in themselves belie the basic charge of unfairness.

Small business, too, is doing better today than ever before. Not only are profits at record levels, but business failures are at an all-time low and the small concerns in the field of retailing are steadily improving their position as compared to the chains.

The net income of farm operators has increased \$8,240,000,000, or 182 percent, since 1939. Since 1941 the increase has been \$6,150,000,000, or 93 percent. While everyone recognizes that farm incomes were depressed before the war, at their present level they stand nearly \$4,000,000,000 above 1919 which for more than 20 years stood as the all-time high.

This committee will understand that neither I nor any other man can stand here and defend each one of 8,000,000, as being perfectly and justly set. That is beyond all possibility. But I do say that the record shows that price control has been effective. It also shows that price control has not interfered with production and that it has been generally fair to farmers and to business large and small.

The record of performance in the control of rents is even better than that on prices generally. With disposable consumer income, income after personal taxes, running at twice the level of 1939, rents have risen only 3.6 percent since August 1939.

I think it not too much to say that this control of rents constitutes the most important single achievement of the agency. Despite the magnitude of the job and despite the wide diversity of conditions under which it has had to operate in every section of the country, this program has been carried out with less friction than any other major program undertaken by the Office.

The contribution it has made to the stability of the cost of living and the protection it has afforded to war workers in crowded centers and to the families of servicemen near Army camps cannot be over emphasized. In many areas rent control was introduced upon the urgent request of the armed forces and the managers and executives of war industries, harrassed by labor turn-over. They tell us it is not possible to place a value upon the contribution which rent control has thus made directly to war production.

That there is deep satisfaction with rent control on the part of tenants goes without saying. What is the case with landlords? While rent control has not been easy for landlords to take, it has worked no hardship upon the great majority.

Foreclosures are at an all-time low. A recent survey covering 25 cities discloses that after 1 year of rent control net operating income of apartment houses, before interest and depreciation, is up 27 percent from the level of 1939. For small structures, the corresponding rise is 45 percent. Figures are not available for net income after all expenses.

However, because interest and depreciation charges are stable, net income must necessarily have risen even more. In large part this has been due to the practical elimination of vacancies and to diminished renovation.

Of the 14,000,000 rental units subject to maximum rent regulations, no less than 2,800,000, or 20 percent, have received individual treatment by the rental area offices. When one considers what is involved in the individual consideration of 2,800,000 rentals, this stands out as a remarkable operation.

RATIONING ACCOMPLISHMENTS

The rationing operations of the Office today embrace the following commodities, listed in the order in which they were brought under control. Coffee has been dropped from the program, as the committee is aware.

Tires and tubes.
Automobiles.
Typewriters.
Sugar.
Gasoline.
Bicycles.
Rubber footwear.
Fuel oil.

Coal and oil heating stoves.
Shoes.
Processed foods.
Meats, fish, fats, oils, cheese.
Canned milk.
Firewood.
Coal.
Jellies and preserves.

Each of these programs is in itself an operation of very real magnitude. This follows from the fact that every one of them reaches into every community in the land. Taken together they directly affect every man, woman, and child in the country and impose a gigantic work load upon the agency. On the occasion of the registration for these programs the volunteer staff of the agency has been swelled to a total of 325,000.

These rationing programs are today operating smoothly, and this in spite of the fact that in all cases it is not possible to treat everyone on a uniform basis. For example, in the gasoline program there are 16,000,000 B and C books which not only must be "tailored" to match individual need, but must be reviewed and reissued every 3 months.

The improvement in the administration of these rationing programs after our 2 years of hard experience must be as evident to the members of this committee as it is to us. The early barrage of complaints have dropped to a minimum. In a recent survey, 93 percent of American housewives stated their belief that food rationing is being administered in a manner fair to all.

The rationing job is essentially a job for the local rationing boards, staffed almost completely by volunteers. I spent 2 years with these men and women in the State of Connecticut, and I know how greatly their tact and understanding, their unselfish devotion, have contributed to this end result.

Needless to say we are not satisfied that even today the programs are functioning as smoothly as we would wish. The operations of the local boards are being continually reexamined and every effort is being made to diminish the burden of rationing, not only upon the consumer, but upon the merchants.

Our ration banking system is being continuously improved and we have recently introduced tokens, which will greatly facilitate both change making and coupon accounting. This will save millions of hours for hard-pressed merchants and clerks and materially reduce the shopping time of American housewives.

Mr. Chairman, I appear before this committee to ask that the price-control statutes be extended substantially as they stand today. While I have been frank to say to you that the administration of the law has been faulty in many respects, the progress we have made in administration bears considerable promise for the future. But regardless of past and even future errors, the past stands at that. Under the statutes as written by Congress and with the powers granted by them we have carried out the mandate of the Congress to stabilize prices and rents. For the past 11 months the cost of living has been held without any net increase whatever.

In the course of these hearings you will undoubtedly hear many complaints of hardship under our regulations. When you hear these hardships, which I know exist, I hope you will bear in mind that these hardships today, in time of war, are fewer in number than they ever were in times of peace and that industry and agriculture are in general more profitable than at any other time in our history. And I would ask this committee to remember that, to the limit of our manpower, we are seeking to alleviate these hardships.

In the course of these hearings you will learn of specific annoyances and irritations, of occasional rudeness and occasional arbitrary exercise of power. I know that these, too, exist. I hope that as you hear of them you will bear in mind that the Office of Price Administration numbers in paid and volunteer staff, 161,000 men and women, that every week we make or receive $4\frac{1}{2}$ million telephone calls and write $2\frac{1}{2}$ million letters.

Now the most reasonable of us are on occasion arbitrary, the best natured among us have our moments of irritability. In every large number of people, no matter how carefully selected or how frequently weeded over, there will be some who will be inconsiderate, thoughtless, or rude. Indeed, I think it fair to say that for every complaint you hear there are hundreds which you do not hear.

But let me add that for every witness you will hear making such complaints there are tens of thousands who would bear witness if they could to the courtesy and the fairness of our staff as a whole.

Some of the witnesses who will appear before you will suggest amendments to the statutes. I hope that later, before these hearings are concluded, you will give me opportunity to comment upon such suggestions and give you my best judgment on how these proposed amendments would affect our operations.

If the powers as they exist today are continued, we shall do our utmost to hold the cost of living and the price structure in general at their present levels. To do this it will be necessary to continue to use the various techniques which have been developed through trial and error over the past 2 years. These include subsidy payments.

This committee has recently heard my views on the use of subsidies and since that time Congress has expressed its disapproval of the subsidy program. Let me again emphasize this all-important point. For the past 11 months the cost of living, for the first time since it began to rise, late in 1940, has been held to a net increase of exactly zero.

I will not say that this result is entirely attributable to the use of subsidies, but I would remind the committee that in spite of firm price control after the spring of 1942 and even firmer price and wage control following the passage of the Stabilization Act, the cost of living continued to climb month by month. If the cost of living had continued to increase during the past 11 months at the rate at which it was increasing in the months prior to April 1943, today it would stand 9 to 10 percent above its present level.

This would have already cost consumers 8 to 9 additional billions in higher retail prices for goods and services. In addition, if this increase had spread to other prices—and in the light of our experience no other conclusion is possible—the cost to the Government of the war program would have been increased by a minimum of 6 to 7 billions a year. The expenditures we have made in subsidies are dwarfed by these savings.

If the powers we now possess are continued, I can promise this committee that the months ahead will witness even greater improvement in the administration of the program than the months that are past.

We shall further simplify our regulations, we shall speed up our procedures, we shall improve our staff. Through making businessmen better acquainted with our regulations, we shall reduce vexations to business while at the same time providing real savings to consumers. Our progress in stamping out the black market will continue.

Above all, if the powers which we now possess are continued, I can assure the committee that inflation during the war will be prevented and that the Nation will come out of the war with a sound and balanced price structure. I can conceive of no greater contribution than this to the strength and vitality of the American economy, once the war is won.

Let me conclude with just a word about changes that may be expected in the programs themselves and in their coverage. All our programs are today being constantly reviewed to determine whether they are essential in every important respect. As this committee knows, one rationing program—coffee—has already been dropped.

Discontinuance followed promptly upon adequate improvement of the shipping situation.

Similarly, in rent control, changing circumstances have already permitted us to decontrol in the rental areas.

The time will come, no one can say how soon, when the present drain on our supplies will be reduced and when new production will be added to the resources of the United Nations. As demand and supply come more closely into balance, first in one field and then in another, the relaxation of price controls will be not only possible but wholly desirable.

At the same time, it is, of course, quite impossible to stake out a schedule—much less a time table. What I see, however, is the lifting of controls, first on this commodity or group of commodities and then on that, as the available supplies increase and circumstances warrant. Step by step, and no one hopes more earnestly than I that the steps will follow closely together, we can lift our price controls.

In short, we shall find ourselves retracing the route which brought us from selective control of certain prices to general control of all prices. It was rising pressures which made us extend our controls across the board. As those pressures diminish we shall at some stage be able to begin the reverse of the process.

The responsibility of preventing inflation during the war and of insuring a smooth transition after victory to peacetime production is a heavy one. I want to leave this committee with the assurance that the agency which I head is fully alive to those responsibilities. As we look ahead our thinking is not only of how effectively we can do our job today. We are preparing to make our contribution to easing the American economy from the restrictions which war makes necessary.

We are prepared to do our part in easing the hazards of reconversion until once again—the strength and vitality of its economy safeguarded—the Nation is upon the road of full peacetime production.

STATEMENT OF WILLIAM H. DAVIS, CHAIRMAN, NATIONAL WAR LABOR BOARD

(The following statement was submitted in writing by Mr. Davis to be included in the record of the committee's hearings. It was not read by him to the committee.)

REPORT ON THE ACTIVITIES OF THE NATIONAL WAR LABOR BOARD IN CARRYING OUT THE STABILIZATION PROGRAM

Statement of WILLIAM H. DAVIS, Chairman

INTRODUCTION

The War Labor Board has been charged under Executive Order 9250 with the responsibility for administering the wage stabilization portion of the anti-inflation program defined in the act of October 2, 1942. The tremendous administrative problem involved has been overcome, and the Board is now substantially current in its handling of cases.

This factual report sets forth the sources of the Board's authority, the manner in which it has administered the national wage stabilization policy, and the extent to which wages have been stabilized at September 15, 1942, levels.

The wages and salaries of some 30,000,000 employees are subject to control by the National War Labor Board. These 30,000,000 citizens are employed in hundreds of thousands of establishments in hundreds of industries. Varying not only between regions but within regions, the wage rate structure of American

industry is extraordinarily complex and is the result of long historical development. It is characterized by numerous types of wage differentials which have strong economic justification. The basic task of the National War Labor Board has been to maintain the stability of this structure with full recognition of its complexity and diversity, and yet to provide an orderly procedure for the correction of wage inequities, the persistence of which might interfere with war production.

In the performance of this task the War Labor Board has relied, perhaps more heavily than any other agency of the Government, upon the active participation of the groups of citizens most immediately affected—employers, employees, and the public. The National War Labor Board has a tripartite composition. Of the 12 regular members of the Board, 4 represent employees, 4 represent employers, and 4 represent the public. It was a natural development that the task of wage stabilization should have been vested in this tripartite Board in view of the fact that the first definition of a basic wage-stabilization principle was evolved by this Board in its work of settling labor disputes in July 1942, some months prior to the act of Congress, when the Little Steel cases were decided and the Little Steel formula first took shape. We believe that the administration of the wage stabilization program would be far more difficult were it not for the fact that employers and employees know that their interests have direct representation of the Board.

The statistical data in this report end for the most part with December 31, since this is the latest date for which data are now fully available. This period of 15 months, however, has witnessed the development of the administrative machinery required for the performance of the Board's duties and the elaboration of wage-stabilization policies as formulated by act of Congress and Executive order. These policies have been developed and applied by the Board in almost 300,000 applications for wage adjustments, requests for rulings, dispute wage cases, and the like.

THE SOURCE OF THE BOARD'S AUTHORITY

The National War Labor Board was established by Executive Order No. 9017, issued on January 12, 1942. The Board was thereby charged with the responsibility "for adjusting and settling labor disputes which might interrupt work which contributes to the effective prosecution of the war" (Executive Order 9017, sec. 3). In the process of settling labor disputes the Board found it necessary to develop criteria for resolving disputes over wages.

These criteria, however, were applied by the Board only in dispute cases, since it was not until the passage of the act of October 2, 1942, that provision was made for regulation of wage increases agreed to by parties to collective-bargaining agreements or of wage increases voluntarily and unilaterally made by employers. In the meantime different plants and industries had increased wages by varying amounts, and the previously established wage differentials among them had been changed. It became evident that if economic stabilization was to be achieved all wage changes would need to be subject to the same regulations. Such over-all wage control would, of course, have to be accompanied by price regulation designed to stabilize the cost of living.

This problem of economic stabilization was considered by the Congress and the Economic Stabilization Act became effective on October 2, 1942. It provides, in part, as follows: "In order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities. * * *

Pursuant to this act of Congress the President on October 3, 1942, issued Executive Order No. 9250, which, among other things, assigned to the War Labor Board the responsibility of passing upon all applications for approval of voluntary or agreed-upon increases or decreases in wages.¹ This was done by paragraph 1 of Executive Order No. 9250, which provides:

¹ Reference will hereinafter be made to "voluntary cases." By this term will be meant all applications submitted to the Board for approval of wage adjustments agreed to in collective bargaining and wage adjustments which an employer on his own initiative desires to place into effect in establishments having no union organization.

"1. No increases in wage rates, granted as a result of voluntary agreement, collective bargaining, conciliation, arbitration, or otherwise, and no decreases in wage rates, shall be authorized unless notice of such increases or decreases shall have been filed with the National War Labor Board and unless the National War Labor Board has approved such increases or decreases."

The wage-stabilization program enacted by Congress contemplated the maintenance, so far as practicable, of the general wage levels which prevailed on September 15, 1942. It was specified in the act, however, that the President might provide for making adjustments "to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities." The instructions to the War Labor Board as to such adjustments were originally embodied in paragraph 2 of Executive Order No. 9250 (subsequently replaced, as described below, by Executive Order No. 9328). Title II, paragraph 2 of Executive Order 9250 provided:

"2. The National War Labor Board shall not approve any increases in the wage rates prevailing on September 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war."

In recognition of the vast administrative task involved in regulating all wage adjustments, the War Labor Board was authorized to make certain exemptions from the wage-regulation requirements of the order. This authorization was given in title II, paragraph 4, of the Executive Order No. 9250:

"4. The National War Labor Board shall, by general regulation, make such exemptions from the provisions of this title in the case of small total wage increases as it deems necessary for the effective administration of this order."²

As noted above, the grounds upon which the Board could approve increases were first enunciated in title II, paragraph 2, of Executive Order No. 9250. On April 8, 1943, these were replaced by the more restrictive provisions of Executive Order No. 9328. Paragraph 2 of the Executive order directed the Board "to authorize no further increases in wages or salaries except such as are clearly necessary to correct substandards of living, provided that nothing herein shall be construed to prevent * * * such wage or salary adjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel formula as heretofore defined by the National War Labor Board for the rise in the cost of living between January 1, 1941, and May 1, 1942."

It further provided in the following language for certain other types of adjustments: "* * * nor shall anything herein be construed to prevent authorizing reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages, or the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices."

On May 12, 1943, Executive Order No. 9328 was supplemented and clarified by a policy directive issued by the Director of Economic Stabilization which defined the basis upon which the Board could approve wage adjustments to "aid in the effective prosecution of the war or to correct gross inequities" within the meaning of section 1 of the act of October 2, 1942." The May 12 directive provided for the determination in each area and for each occupational group of wage-rate brackets of sound and tested rates. It specified that "except in rare and unusual cases in which the critical needs of war production require (an exception) * * * the minimum of the going rates within the brackets will be the point beyond which adjustments * * * may not be made."

²The act of Congress and the Executive order by their terms exempted from wage stabilization control wage adjustments resulting from the operation of the Fair Labor Standards Act (29 U. S. C. 151), the Walsh-Healey Act (41 U. S. C. 35), and the Davis-Bacon Act (40 U. S. C. 276a) (act of October 2, 1942, sec. 4, 50 U. S. C. 961; Executive Order No. 9250, Title VI (1)).

All salaries over \$5,000 a year and those less than \$5,000 a year paid to supervisory or professional employees not represented by labor organizations are within the jurisdiction not of the Board but of the Commissioner of Internal Revenue. (Regulations of the Economic Stabilization Director, secs. 4001.2, 4001.4, and 4001.10).

The wages of agricultural labor not in excess of \$5,000 a year are subject to the jurisdiction not of the Board but of the War Food Administrator (Regulations of the Economic Stabilization Director, Sec. 4001.1 (1) and 4001.6-4001.9).

Wage and salary adjustments for employees subject to the Railway Labor Act are excluded from the Board's authority by Executive Order 9250, title VI (1), and are placed under the authority of the Chairman of the National Railway Panel subject to the provisions of Executive Order No. 9299 of February 4, 1943.

In carrying out the wage-stabilization program the Board has the responsibility, therefore, of disapproving any increases in wages or salaries except those which:

1. Represent an adjustment in accordance with the Little Steel formula;
2. Correct substandards of living;
3. Correct gross inequities as defined by a comparison of the rates in question with the minimum of the brackets of sound and tested rates for the appropriate occupational classification in the labor-market area, except in rare and unusual cases where the critical needs of war production require the setting of a rate at some point beyond the bracket, minimum; and
4. Are reasonable adjustments designed to provide an orderly wage structure within the establishment, such as "promotions, reclassifications, merit increases, incentive wages, or the like" (except to the proviso that no increase in prices or appreciable increase in production costs shall result).

Wage adjustments of the types mentioned above may take effect when authorized by the Board subject to the limitation, specified in paragraph 2 of the May 12, 1943, directive, that "all wage adjustments made by the Board which may furnish the basis either to increase price ceilings or to resist otherwise justifiable reductions in price ceilings, or if no price ceilings are involved which may increase the production costs above the level prevailing in comparable plants or establishments, shall become effective only if also approved by the Economic Stabilization Director."

The wage stabilization policies just outlined are also binding on the Board in determining labor disputes under the War Labor Disputes Act (Smith-Connally Act), adopted by the Congress on June 25, 1943. This act reaffirmed the powers of the National War Labor Board as set forth in the October 2 amendment to the Emergency Price Control Act of 1942 and in the Executive orders and regulations issued thereunder and provided procedures for the Board's handling of these disputes.

ORGANIZATION OF THE BOARD

Prior to October 2, 1942, the National War Labor Board was set up finally to determine labor disputes which were certified to it by the Secretary of Labor. It had approximately 300 employees. The assignment to it of responsibility for general wage stabilization, a new and uncharted field, required a rapid expansion of staff. The Board determined, however, to discharge its added responsibilities with the minimum possible increase of personnel. In the interest of speedy determination of its cases, and in order to obtain the benefit of participation by local employer, employee, and public representatives, the Board established 12 tripartite regional war labor boards in representative centers of industrial activity. The 12 regional war labor boards were patterned in organizational structure after the National Board in Washington.

The regional war labor boards

Region	Location	Jurisdiction
I.....	Boston, Mass.....	Maine, Massachusetts, Rhode Island, Vermont, New Hampshire, and Connecticut.
II.....	New York, N. Y.....	New York and northern New Jersey.
III.....	Philadelphia, Pa.....	Pennsylvania, Delaware, Maryland, Southern New Jersey, and Washington, D. C.
IV.....	Atlanta, Ga.....	Virginia, North Carolina, South Carolina, Georgia, Alabama, Florida, Mississippi, and Tennessee.
V.....	Cleveland, Ohio.....	Ohio, Kentucky, and West Virginia.
VI.....	Chicago, Ill.....	Indiana, Illinois, Wisconsin, Minnesota, North Dakota, and South Dakota.
VII.....	Kansas City, Mo.....	Arkansas, Missouri, Kansas, Iowa, and Nebraska.
VIII.....	Dallas, Tex.....	Louisiana, Oklahoma, and Texas.
IX.....	Denver, Colo.....	New Mexico, Colorado, Utah, Idaho, Montana, and Wyoming.
X.....	San Francisco, Calif.....	California, Nevada, and Arizona.
XI.....	Detroit, Mich.....	Michigan.
XII.....	Seattle, Wash.....	Washington, Oregon, and Alaska.

In addition to the establishment of the regional war labor boards, the Board established a number of commissions and panels to deal with problems inherent in particular industries. The National Airframe Panel constitutes an example of this action. Through the National Airframe Panel the National Board has

achieved an orderly and equitable wage rate structure for this vital and rapidly expanded war industry.

ADMINISTRATIVE PROBLEM

In addition to regionalizing its activities, the National War Labor Board, at an early stage of the wage stabilization program, issued certain general orders providing for exemptions in cases where wage adjustments had no critical relationship to the stabilization objectives. Chief among these are General Order 4 and General Order 31. General Order 4 enables the small businessman with not more than 8 employees to make adjustments in the compensation of his employees without Board approval.³ Authority for this is found in paragraph 4 of title II of Executive Order 9250. The effect of General Order 4 was to free approximately 85 percent of the employers in the country from wage control, yet only 15 percent of the Nation's employees were thus exempted. Since its exemption of employers of not more than 8 employees, the Board has kept careful watch over the consequences of its action. Whenever this exemption has given evidence of producing unstabilizing effects in a particular industry, occupation, or area, the Board has terminated the exemption. In 14 instances such action has been found necessary. General Order 31 (a clarified and more specific revision of General Orders 5 and 9) permits employers to make promotions and reclassifications as well as the normal day-to-day merit and length-of-service adjustments within established rate ranges without securing approval of the Board.

Notwithstanding these measures, the Board received from October 1942 to December 31, 1943, an average of more than 10,300 voluntary applications a month for approval of wage increases. During the same period there was an average monthly inflow of 490 dispute cases.⁴

THE BOARD'S WAGE POLICY

In carrying out the mandate of Congress that wage stabilization "shall so far as practicable be on the basis of the levels which existed on September 15, 1942," the Board has followed the instructions laid down by the Congress and amplified in subsequent Executive orders and directives by the President and the Director of Economic Stabilization.

The most prominent feature of the wage policy developed under these directives is the Little Steel formula, which limits general wage-rate increases based upon changes in the cost of living to 15 percent over the rates of January 1, 1941. This formula was first enunciated by the War Labor Board in the Little Steel cases in July 1942. Prior to October 2, 1942, however, general wage increases in excess of 15 percent were widely made in many plants and in many industries by employers on their own initiative or through collective bargaining agreements. When the Little Steel formula was developed, the Board estimated that wage rate increases in excess of 15 percent had already been made effective for two-thirds of the employees in manufacturing industries. The Little Steel formula made it possible to provide minimum noninflationary general increases to selective groups of employees, namely, the one-third of the employees whose wages had lagged to the greatest extent in the general upward movement which had previously developed. Such newly created disparities had to be taken into account in avoiding the perpetuation of inequitable wage relationships.

It is significant to note the manner in which the Little Steel formula has been applied. It is applied not to the wage rates of individual employees but to the average rates of all employees within an industry, a plant, or a collective bargaining unit. Each employee consequently receives the same cents per hour increase, thus preserving the same rate relationships, but lower paid employees receive percentage-wise a substantially larger increase than do higher paid employees.

The Little Steel formula has now been embodied in the directives under which the Board operates as a firm limitation on the Board's authority to grant wage increases based upon the cost of living. Executive Order No. 9328, issued by

³ In drawing the line at 8 employees, the Board followed the precedent established by Congress in the Federal Unemployment Tax Act (26 U. S. C. 1607 (a)) (formerly the Social Security Act (42 U. S. C. 1107 (a))). This limitation was adopted by the Director of Economic Stabilization in his regulations under the act of October 2, 1942 (sec. 4001.16).

⁴ A detailed analysis of the volume of work handled by the Board may be found in appendix A of this report.

the President on April 8, 1943, states specifically that no further increases to compensate for the rise in the cost of living shall be granted except "in accordance with the Little Steel formula as heretofore defined by the National War Labor Board." This limitation upon cost-of-living wage increases establishes the general level of wages.

Another basic part of the wage policy has to do with the subject of "gross inequities." At any general level of wages, there are claims that the rates of plant A are inequitably out of line with those paid by plant B for the same work. Such a claim, based upon "equal pay for equal work," would persist even if the same general wage increase, based upon changes in the cost of living, became effective at all plants in the industry, including plants A and B. Until the directive issued by the Director of Economic Stabilization on May 12, 1943, the Board had no objective criteria for determining the limits of wage adjustments necessary to correct gross inequities. Early in the development of the wage stabilization program, the Board issued a unanimous statement of policy, making it clear that the Board was not prepared, under the guise of correcting gross inequities, to disturb the many established differentials in rates which are a traditional feature of wages in American industry (statement of wage policy of November 6, 1942). The problem of determining whether particular differentials between rates of pay for similar work were so extreme as to constitute gross inequities, or whether they were merely customary and normal differentials which ought not to be disturbed under the stabilization program, was one which was initially settled on a case by case basis. The issuance of the directive of May 12, however, effected a major clarification of this portion of the wage policy. That directive authorized the Board to establish "by occupational groups and labor market areas, the wage-rate brackets embracing all those various rates found to be sound and tested going rates" and further provided that "except in rare and unusual cases in which the critical needs of war production require the settling of a wage at some point above the minimum of the going wage bracket,⁶ the minimum of the going rates within the brackets will be the point beyond which the adjustments mentioned above may not be made" (par. 1). In each area, the regional war labor boards have set up the required brackets of sound and tested rates. As a general rule, the minimum bracket wage is about 10 percent below the weighted average wage. Only as respects those rates which are below this minimum can there be a claim of "gross inequity" and any rectification is restricted to an increase to the minimum of the bracket. As with the Little Steel formula, the bracket rule limits wage adjustments to selected groups whose wages are significantly out of line with the great bulk of the wages paid.

It is significant to note that in recent months the large majority of the wage cases coming before the Board have involved questions of gross inequities related to interplant wage relationships rather than claims under the Little Steel formula based upon the cost of living. As of the end of December 1943, the Board had decided 14,666 applications involving the Little Steel formula affecting 903,000 workers. At the same time, the Board had decided 68,134 applications involving claims of gross inequities affecting 2,721,000 workers—a ratio of almost 5 to 1 in favor of cases of alleged gross inequities. Although the major part of the Board's work in passing upon wage claims concerns the application of the brackets rather than the application of the Little Steel formula, it should not be thought that the Little Steel formula is therefore of relatively minor importance to the stabilization program. On the contrary, it has served as a definite limitation upon general wage increases since the great majority of workers had already received in excess of a 15 percent increase since January 1941.

The declining importance of adjustments decided on the basis of the Little Steel formula is indicated by the data in table IV. In December 1943, only 6.2 percent of the requests for rate adjustments involved principally the Little Steel formula, as compared with 36.5 percent in May 1943.

To sum up the policy at this point, it may bear repetition that the Little Steel formula is a limitation upon general increases to compensate for the rise in the cost of living. The minimum of the brackets of sound and tested going rates constitutes the line which is being held in the case of asserted gross inequities.

⁶ The Board's authority to grant increases above the minimum of the brackets in "rare and unusual" cases has been used sparingly. We have been careful to limit such special consideration to cases in which it is clearly shown that without such special treatment, the plant involved will be unable to carry out a critical war production job. One such case involved the Boeing Aircraft plant in Seattle, producing Flying Fortresses; there have been few others.

Wage rate inequities within plant wage structures have also been corrected. It frequently happens, especially in periods during which the character of production changes rapidly, that rates for a particular job within a plant get out of line with rates paid for other jobs of similar skill and responsibility. In some cases whole wage structures have been found to be chaotic. The War Labor Board, in the interest of the war effort, has not hesitated to encourage, notably in the airframe industry, the creation of logical and rational wage structures within plants. Such intraplant adjustments have not raised the general level of plant wages appreciably.

The Board has also been given authority to grant wage increases to correct substandards of living. Increases up to 40 cents per hour may be established by employers without Board approval. The various regional war labor boards have established limits ranging from 40 to 50 cents an hour, depending upon the area involved, by which to measure voluntary requests for wage increases in this category. This does not mean that the payment of any particular amount per hour is required by the Board. If a regional board establishes a 50 cent substandard rate, it will ordinarily approve any wage up to that amount for which an employer voluntarily seeks approval. In dispute cases, when a substandard determination must be made by the Board, all relevant facts are taken into account in order to avoid unstabilizing consequences. The adjustment of the lowest wages in a plant, to correct substandards of living, may have an important bearing upon the customary differentials between wages for different occupational groups. To meet this problem, the May 12, 1943 directive (par. 1) provided that—

"In connection with the approval of wage adjustments necessary to eliminate substandards of living or to give effect to the Little Steel formula or in connection with the adoption of a longer work week, the Board may approve wage or salary adjustments for workers in immediately interrelated job classifications to the extent required to keep the minimum differentials between immediately interrelated job classifications necessary for the maintenance of productive efficiency."

The above-quoted section of the May 12 directive includes the authority to make adjustments in the wages paid to nonproductive factory employees and to white-collar workers when the wages of productive employees are increased. It has also permitted the Board to authorize adjustments in the wages paid to supervisory employees when the earnings of those under their supervision increase as a result of overtime hours of work.

The Board also has occasion to pass upon a variety of miscellaneous wage issues not directly concerned with basic hourly rates, such as night-shift bonuses, vacation plans, and incentive plans. Such actions are taken pursuant to that part of paragraph 2 of Executive Order No. 9328 which reads: "Nor shall anything herein be construed to prevent * * * reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages, or the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices."

ANALYSIS OF BOARD ACTIONS UNDER THE WAGE POLICY

Voluntary wage cases.

Between October 3, 1942, and December 31, 1943, as table I shows, the regional war labor boards issued decisions in 112,250 voluntary wage-adjustment cases. Somewhat more than half of these applications—53.9 percent—were approved in full. In 28 percent of the applications, the regional boards gave modified approval to the requested wage-rate adjustments. Slightly more than 18 percent of the applications were denied completely. More than 6,000,000 workers were affected by the decisions of the regional boards in all cases. The cases approved in full affected about 60 percent of these workers; another 24 percent of the workers were affected by partial approvals; 16 percent of the workers were affected by denials. In the tabulations that follow, cases approved either in whole or in part are lumped together for purposes of convenience.

Table II shows that 72.5 percent of the 112,250 voluntary applications were submitted my employers on their own initiative on behalf of employees not represented by a labor organization. The remaining 27.5 percent of the applica-

tions were submitted jointly by employers and unions. Despite the preponderance of applications submitted by employers alone, the workers affected were almost equally divided between the two types of applications. Employer-union applications related to establishments of larger than average size. Of the applications submitted by employers alone, 81.8 percent were approved in whole or in part; the corresponding figure for employer-union applications was 82.2.

In table III voluntary cases are classified in terms of the major bases of Board action. It will be observed that Board decisions in over 68,000—60.7 percent of the 112,250 cases—involved principally gross inequity considerations; that is, the application of wage-rate bracket policy. Less than 15,000—13.1 percent of the cases—were decided principally on the basis of the Little Steel formula.

As table III indicates, 11 percent of the cases approved, involving 29 percent of the workers affected, could not be classified under the four major types of adjustment shown in the table. These cases are classified under "Other reasons." The types of cases included under this category are diverse. Some of the cases in this group could not be classified by type of adjustment because this information was not available, particularly during the early months of the Board's operations. Other cases involve primarily the approval of night-shift bonuses, premium payments for overtime, vacations, incentive plans, periodic bonus payments, and the like. It should be pointed out that most of the cases classified under "Other reasons" did not involve changes in the basic wage rates of employees. Cases in which the chief issue was the approval of vacation or bonus payments, or overtime or sick-leave plans, represent some such instances.

Table V summarizes the increases in average straight-time hourly earnings approved in applications decided by the Board. Over the entire period from October 1942 to December 1943, the average increase in approved cases involving wage-rate adjustments was 6.6 cents or about 9.6 percent of average straight-time hourly earnings of the employees affected. As table V shows, the largest percentage increase (12.6 percent) was granted to correct substandards of living for an aggregate of 328,000 employees.

TABLE I.—*Voluntary wage-adjustment cases decided by the Board Oct. 3, 1942–Dec. 31, 1943*

Regional board action	Cases		Employees	
	Number	Percent	Number affected	Percent
Approved in full.....	60,543	53.9	3,666,000	59.9
Approved in part.....	31,443	28.0	1,455,000	23.8
Denied.....	20,264	18.1	995,000	16.3
All cases.....	112,250	100.0	6,116,000	100.0

TABLE II.—*Voluntary wage-adjustment cases decided by the Board, by type of applicant, Oct. 3, 1942–Dec. 31, 1943*

Type of applicant	All cases		Approved cases ¹		Denied cases	
	Cases	Workers affected	Cases	Workers affected	Cases	Workers affected
Employer alone.....	81,384	3,085,000	66,604	2,515,000	14,780	570,000
Joint application of employer and union.....	30,866	3,031,000	25,382	2,606,000	5,484	425,000
Total.....	112,250	6,116,000	91,986	5,121,000	20,265	995,000

¹ Includes partial approvals.

TABLE III.—*Voluntary wage-adjustment cases decided by the Board, by bases of Board action, Oct. 3, 1942-Dec. 31, 1943*

Chief type of adjustment	All cases		Approved cases ¹		Cases denied	
	Number of cases	Number of workers affected	Number of cases	Number of workers affected	Number of cases	Number of workers affected
Maladjustment (Little Steel formula).....	14, 666	903, 000	12, 963	802, 000	1, 703	101, 000
Substandard.....	7, 866	336, 000	7, 461	228, 000	405	8, 000
Gross inequity.....	68, 134	2, 721, 000	55, 136	2, 264, 000	12, 998	457, 000
Intraplant differential.....	6, 771	254, 000	5, 943	227, 000	826	27, 000
Other reasons.....	14, 813	1, 902, 000	10, 481	1, 500, 000	4, 332	402, 000
All cases.....	112, 250	6, 116, 000	91, 986	5, 121, 000	20, 264	995, 000

¹ Includes partial approvals.TABLE IV.—*Distribution of voluntary wage-adjustment cases decided by the boards, by chief types of adjustment requested, by months, October 1942-December 1943*

Period covered	Percent distribution of cases by chief type of adjustment					Average number of workers affected per establishment
	Total	Mal-adjustments	Sub-standards	Inequities	Other reasons	
October 1942-March 1943.....	100.0	16.1	1.9	53.5	28.5	93
April 1943.....	100.0	7.8	1.3	79.2	11.7	34
May 1943.....	100.0	36.5	20.0	34.6	8.9	76
June 1943.....	100.0	25.8	14.9	46.7	12.6	68
July 1943.....	100.0	19.8	9.6	58.6	12.0	56
August 1943.....	100.0	10.6	8.1	70.7	10.6	50
September 1943.....	100.0	10.3	7.0	71.6	11.1	43
October 1943.....	100.0	7.3	6.0	75.2	11.5	47
November 1943.....	100.0	6.8	4.2	77.1	11.9	44
December 1943.....	100.0	6.2	4.1	79.1	10.6	44
Total.....	100.0	13.1	7.0	66.7	13.2	54

TABLE V.—*Number of voluntary cases approved by the Board, by bases of Board action and average amount of increase, Oct. 3, 1942-Dec. 31, 1943*

Chief type of adjustment	All cases approved ¹				
	Number of cases	Number of workers affected	Average increase in straight-time earnings (cents per hour)	Percent increase in average hourly earnings	Straight-time average hourly earnings before increase (cents per hour)
Maladjustment.....	12, 963	802, 000	5.9	7.5	78.7
Substandards.....	7, 461	328, 000	6.2	12.5	49.2
Gross inequities.....	55, 136	2, 264, 000	6.9	10.2	67.6
Intraplant differential.....	5, 945	227, 000	6.9	10.4	66.3
All other ²	10, 481	1, 500, 000			
Total ³	91, 986	5, 121, 000	6.6	9.6	68.8

¹ Includes partial approvals.² "All other" includes for the most part adjustments other than direct wage-rate increases such as new incentive plans, sick leave and vacation plans, and year-end bonuses. A average hourly increases and average straight-time earnings cannot be computed for most of these non-wage-rate adjustments.³ The average hourly increases and average hourly earnings shown here refer only to those cases in which wage-rate adjustments were approved (see footnote 2 above).

The number of voluntary wage cases decided by the Board during the first 15 months of stabilization were about equally divided between manufacturing

and nonmanufacturing establishments (table VI), although about two-thirds of the workers affected were employed in manufacturing.

Table VI also shows that the average wage increase in approved cases involving rate adjustments in manufacturing during this period amounted to 5.9 cents, as compared with 7.9 cents in nonmanufacturing. As previously indicated, the average increase in all approved cases amounted to 6.6 cents an hour. Straight-time average hourly earnings in the approved manufacturing cases were increased by 8.6 percent; in the approved nonmanufacturing cases, the increase was 11.6 percent.

Table VII shows in more detail the effect of Board action in voluntary wage-adjustment cases. Data are shown on the average wage increase in approved cases in ten broad industry divisions. Both in the number of cases approved and in number of workers affected, general manufacturing industry is the most important division represented. The workers affected by Board approvals of wage-rate adjustments in manufacturing cases received an average increase of 5.9 cents per hour. The same average increase was approved for workers in cases involving public utilities. This was the lowest average increase for any of the industry divisions shown in table VII.

Certain of the industry divisions shown in table VII employ large numbers of white-collar workers. The employees in the Finance, Insurance, and Real Estate Division fall almost exclusively in this category. The Board approved an average increase of 8.4 cents an hour for about 200,000 workers in this field. Approximately 400,000 employees engaged in retail distribution received an average increase of 6.9 cents. A somewhat larger average increase—7.4 cents an hour—was approved for approximately 300,000 workers in wholesale trade.

A special analysis has been made of Board action in voluntary cases involving affiliated unions, independent unions, and unorganized establishments. The results of this analysis are shown in table VIII. It indicates that the proportion of cases approved and denied, and the proportion of workers affected have not differed significantly among the three groups. In average cents-per-hour increases in approved cases, however, significant differences are evident. The average increase in the approved cases involving wage rate adjustments for members of affiliated unions amounted to 5.6 cents an hour; for independent unions 5.8 cents; and for unorganized establishments 7.5 cents. The larger average increase for unorganized workers probably reflects the fact that from January 1, 1941, their wages had lagged behind those of organized workers.

Dispute wage cases.

By no means all of the dispute cases closed by the War Labor Board involve wage issues. A special tabulation has been made of dispute cases in which wages were an issue for the period April–December 1943. During this 9-month period, 1,540 dispute cases involving wages were acted upon by the Board. In 1,366 of these cases some types of wage adjustments were ordered. It should be understood that in many of these latter cases the wage issue did not involve a general increase.

Preliminary data are available on 1,095 of the cases in which wage adjustments were approved. Somewhat more than 1.2 million workers were affected by these adjustments, which averaged 4.9 cents an hour.

TABLE VI.—*Number of voluntary cases approved by the Board, by industry division and average amount of increase, Oct. 3, 1942–Dec. 31, 1943*

Industry division	All cases		Approved cases ¹		Denied cases		Average increase in cents per hour in approved cases ²	Percentage increase in straight-time average hourly earnings in approved cases ²
	Number	Workers affected	Number	Workers affected	Number	Workers affected		
Manufacturing.....	56,539	4,116,000	45,666	3,414,000	10,873	702,000	5.9	8.6
Nonmanufacturing	55,711	2,000,000	46,320	1,707,000	9,391	293,000	7.9	11.6
Total.....	112,250	6,116,000	91,986	5,121,000	20,264	995,000	6.6	9.6

¹ Includes partial approvals.

² The average hourly earnings and average hourly increase data relate only to those cases and workers involved in direct wage-rate increases. The number of cases and workers shown in this table includes, in addition to those involved in direct wage rate adjustments, the number of cases and workers involved in non-wage rate adjustments such as new incentive plans, sick leave and vacation plans, and year-end bonuses.

TABLE VII.—*Applications for voluntary wage or salary rate adjustments decided by the National War Labor Board by industry classifications and Board action, October 1942–Dec. 1943*

Industry classification	All cases		Denials		Approvals ¹		Increase granted in approved cases ²	
	Number of cases	Number of employees affected	Number of cases	Number of employees affected	Number of cases	Number of employees affected	Average increase (in cents per hour)	Percent increase straight-time average hourly earnings
Miscellaneous mining.....	2,091	81,000	303	16,000	1,788	65,000	8.6	9.9
Construction.....	1,173	47,000	310	17,000	863	30,000	7.2	8.7
General manufacturing.....	52,088	3,372,000	9,947	568,000	42,141	2,804,000	5.9	8.5
War materials manufacturing.....	4,451	744,000	926	134,000	3,525	610,000	6.6	8.0
Wholesale distribution.....	10,739	330,000	2,020	29,000	8,719	301,000	7.4	11.0
Retail distribution.....	16,431	483,000	2,766	87,000	13,665	395,000	6.9	12.0
Finance, insurance, and real estate.....	5,941	220,000	1,036	16,000	4,905	204,000	8.4	12.1
Transportation and communication.....	5,397	358,000	620	57,000	4,777	301,000	8.4	13.3
Public utilities.....	1,927	169,000	239	27,000	1,688	142,000	5.9	6.5
Services.....	11,428	290,000	1,978	34,000	9,450	256,000	6.9	11.5
Other and unknown.....	584	22,000	119	10,000	465	12,000	7.1	10.1
All industries.....	112,250	6,116,000	20,264	995,000	91,986	5,121,000	6.6	9.6

¹ Includes partial approvals.² The average hourly earnings and average hourly increase data refer only to those cases and workers involved in direct wage-rate increases. However, the number of cases and workers shown in this table includes, in addition to those involved in direct wage-rate adjustments, the number of cases and workers involved in non-wage-rate adjustments such as new incentive plans, sick leave and vacation plans, and year-end bonuses.TABLE VIII.—*Board actions in voluntary cases, by union status, May 1943–December 1943*

Union status	Number of cases			Number of workers affected			Average increase in cents per hour in approved cases ¹
	Total	Approved	Denied	Total	Approved	Denied	
Affiliated unions.....	23,449	19,588	3,861	1,922,000	1,653,000	269,000	5.6
Independent unions.....	4,304	3,626	678	462,000	370,000	92,000	5.8
Unorganized.....	66,247	57,206	9,041	2,399,000	2,063,000	336,000	7.5

¹ The average hourly increase data refer only to those cases and workers involved in direct wage-rate increases. However, the number of cases and workers shown in this table includes, in addition to those involved in direct wage-rate adjustments, the number of cases and workers involved in non-wage-rate adjustments such as new incentive plans, sick leave and vacation plans, and year-end bonuses.² Includes cases in which more than 1 union was involved.

THE EFFECT OF THE BOARD'S POLICY ON WAGE LEVELS

By application of the national wage policy the National War Labor Board has acted to stabilize wages so far as practicable on the basis of the levels which existed on September 15, 1942. The adjustments of wages under the stabiliza-

tion policy have been "to aid in the effective prosecution of the war or to correct gross inequities," in accordance with the act of October 2, 1942. The wage-stabilization policy has limited wage increases to those employees whose wages were relatively low, usually because they had lagged on the general upswing which began early in 1941. This applies as respects Little Steel formula adjustments, interplant adjustments under the wage-bracket rule, and increases to correct substandards of living. In other words, it is primarily the relatively low wages, together with the wages unchanged from January 1941 to October 1942, which have been subject to adjustment.

Since the wage-stabilization program went into effect in October 1942, the basic hourly rates of more than three-fourths of the workers have not been changed at all through the actions of the Board. Proposed wage adjustments for more than 1,000,000 workers have been denied by the Board. The remaining workers have not come before the Board for any changes in their wages. Increases approved for the workers whose wages have been adjusted have averaged about 6.2 cents an hour.⁶ These were in the nature of adjustments for selected groups of employees whose wages were relatively low and had to be increased "to aid in the effective prosecution of the war or to correct gross inequities."

It does not follow that the individual workers whose rates have not been adjusted have gone without increases in their total wages during this period. While the basic hourly rates have remained substantially unchanged since October 1942, substantial increases in average earnings have nevertheless occurred. Increased overtime work with the attendant time and a half pay for work in excess of 40 hours a week has added substantially to the weekly pay envelopes of the workers. Many thousands of workers have transferred to higher-paying jobs in war industries and have thus increased their income although the hourly rates of pay in the industries have remained relatively constant. Within the same industries and within particular plants, workers have been upgraded and promoted to better-paying jobs, and workers under incentive systems have been able to increase their earnings through increased productivity at the same basic rates of pay.

Because of such factors as these, the average gross hourly earnings in manufacturing industries increased 10.2 cents an hour from October 1942 through December 1943. This increase in the actual earnings of the workers is not subject to regulation through wage-rate controls. Nor is the increase inconsistent with the objectives of the stabilization program. A limitation upon the total "take home" earnings of the workers would amount to imposing maximum hours of work, precluding promotions and upgrading, restricting the productivity of workers under incentive systems, and preventing shifts of workers into war industries. Such restrictions would, of course, have been disastrous to the war effort.

ANALYSIS OF CHANGES IN WAGE RATES AND EARNINGS

A fair analysis of recent changes in wages and earnings should be made in two periods. The first period is from January 1941 to October 1942, when the only wage restrictions were those imposed by the National War Labor Board in dispute cases which were brought to it for determination beginning in January 1942. Changes during the second period from October 1942 to December 1943, the most recent date for which fairly complete data are available, reflect the situation which has prevailed under the stabilization policy.

It will be noted that the data in table IX relate to manufacturing industry. Three measures of wages are shown—average weekly earnings, gross average hourly earnings, and straight-time average hourly earnings weighted by the man-hour distribution of employment among industries in October 1942. None of these measures of wages reflects hourly rates alone. Data on rates as such are not available. Average straight-time hourly earnings weighted by October 1942 employment more nearly approximate rates than any other measure. The fact must be emphasized, however, that changes in this measure of earnings reflect not only changes in rates, but also changes due to a variety of other factors. Among the factors other than rates that influence average straight-time hourly earnings are increases to individual workers, increased productivity

⁶ Includes increases granted in both voluntary and dispute cases.

under incentive wage payment plans, the shift of workers from low-wage to high-wage plants within industries, and increases in incidental wage payments such as night-shift bonuses, vacation plans, etc. The influence of overtime premium pay and changes in average earnings due to shifts of workers among industries, however, has been eliminated in this measure of straight-time earnings.

The distinction between increases in straight-time average hourly earnings and increases in basic hourly rates is strikingly illustrated by the figures for the period since October 1942 as set forth in table IX. It is there shown that straight-time average hourly earnings increased by an average of 8.5 percent. The basic hourly rate increases approved by the Board during this period in manufacturing amounted, when average over all factory workers, to approximately 1.8 percent. Although most of the difference between the two figures arises from the various factors affecting straight-time hourly earnings enumerated above, a part may be due to increases in hourly rates which do not require Board approval. In this connection, reference may be made to such changes as increases up to 40 cents an hour (General Order 30) and increases to equalize women's rates with men's for the same work (General Order 16).

TABLE IX.—*Earnings of employees in all manufacturing industries, selected periods*

	Earnings in—			Percentage change		
	January 1941	October 1942	December 1943	January 1941 to October 1942	October 1942 to December 1943	January 1941 to December 1943
Average weekly earnings.....	\$26.64	\$38.89	\$44.68	46.0	14.9	67.7
Gross average hourly earnings.....	.683	.893	.995	30.7	11.4	45.7
Straight-time average hourly earnings ¹.....	.682	.839	.910	23.0	8.5	33.4

¹ Weighted by industry man-hours as of October 1942.

Source: Bureau of Labor Statistics.

The spread between basic hourly rates and straight-time average hourly earnings since October 1942 probably is not representative of the relationship existing before October 1942. The point is not susceptible of statistical proof, because of the absence of sufficient data, but War Labor Board experience indicates a very substantial acceleration of promotions, upgrading, and reclassification of workers within the plants since the stabilization program went into effect. Under the pressure of manpower shortages, employers have undoubtedly speeded up the process of reclassifying workers into higher paying job classifications without the probationary periods and training which they would require in normal times. Such wage adjustments became so numerous, and so many doubtful practices came to the attention of the Board, as to necessitate the issuance of General Order No. 31 which places certain limits upon so-called in-grade adjustments. The very existence of the stabilization program, which has prevented widespread increases in basic hourly rates, has added tremendous impetus to the reclassification of employees into higher paying jobs without disturbing the hourly rates in effect for the various jobs in the plant. We think that this factor accounts for a substantial portion of the significant increase in average gross hourly earnings since October 1942.

A part of the increase in gross hourly earnings may be due to wage increases granted in violation of the law without Board approval although there is no evidence of any breakdown of the stabilization program through employers granting unauthorized wage increases. The Board will be alert to prevent any such breakdown. It has been actively investigating reports of alleged violations of the law in this regard and has submitted findings of violations to the Commissioner of Internal Revenue and to the contracting agencies of the Government for the application of sanctions as provided by the law and the regulations.

With these explanatory remarks, table IX is submitted to show the relationship among average straight-time hourly earnings, gross average hourly earnings, and average weekly earnings, for three significant periods. The first covers the period January 1941 to October 1942—before the stabilization program was begun. The second shows what has happened in this regard since the stabilization program went into effect. The third shows the entire period from January 1941 to December 1943. Average weekly earnings, as well as average hourly earnings have been included since there has been considerable discussion of the amount by which the total pay envelope of the worker has been increased.

In table X, the average monthly increases in the three measures of earnings shown in table IX are set forth for two periods: January 1941 to October 1942, and October 1942 to December 1943. An inspection of the table indicates that the average increase in each instance was materially less in the stabilization period than in the preceding period. For example, straight-time average hourly earnings increased at an average rate of more than seven-tenths of 1 cent a month for the period prior to October 1942 and at a rate of less than five-tenths of 1 cent for the period after October 1942. The fact must be emphasized again that earnings are not equivalent to rates. Unquestionably, the increase in rates after October 1942 was relatively much smaller than the increase in earnings. If data were available on changes in wage rates for both periods, the effect of wage stabilization would be more apparent than the earnings data in table X indicate.

TABLE X.—Average monthly increase in earnings in all manufacturing industries, January 1941 to October 1942 and October 1942 to December 1943

	Average increase per month	
	January 1941 to October 1942	October 1942 to December 1943
Average weekly earnings.....	\$0.556	\$0.386
Gross average hourly earnings.....	.0095	.0068
Straight-time average hourly earnings ¹.....	.0071	.0047

¹ Weighted by industry man-hours as of October 1942.

Source: Bureau of Labor Statistics.

APPROVED WAGE INCREASES AND PRICES

From October 3, 1942, to February 11, 1944, the National War Labor Board had acted upon 134,819 wage cases of which 129,261 were requests of employers made singly or jointly with employee representatives, for approval of wage increases. During the same period, the Board disposed of wage issues in 5,558 dispute cases.

Of these wage cases, less than one-half of 1 percent, or 599 cases, have involved a price adjustment or an increase in cost to the Government. Only these cases, therefore, have required approval by the Director of Economic Stabilization. Of the 599 cases so submitted to the Director all but 11 have been approved.

War Labor Board action has not basically affected the general structure of prices. Industry price structures were affected in a few instances—cotton garments, laundry, canning, nonferrous metals, and coal. The first three industries had many workers at substandard rates; in the case of nonferrous metal mining, a critical war industry was involved; in coal, price relief was required to compensate for greater wage costs due to longer hours rather than to rate adjustments.

APPENDIX A. ANALYSIS OF WORK-LOAD OF NATIONAL WAR LABOR BOARD

Volume of dispute cases.

A total of 7,846 cases was certified to the National War Labor Board by the United States Conciliation Service during the 2-year period from the inception of the Board in January 1942 through December 1943. The number of cases certified to the Board monthly has increased more than tenfold from an average of about 50 for the period January through July 1942 to an average of over 550 per month for the period June through December 1943 (table A).

Beginning in January 1943, when the dispute activities of the Board were decentralized, the bulk of all dispute cases certified to the National Board have been immediately referred to regional boards and industry commissions. In addition, in instances where a case originally pending before the National Board could be handled more expeditiously at the regional level, cases have been referred to the appropriate regional board.

A total of 373 dispute cases was recorded as pending before the National Board on December 31, 1943. This number includes a sizeable group of cases on which the Board has already taken partial action, but which cannot be regarded as finally closed. This number also includes many complicated cases which require specialized and detailed information. The final settlement of such cases is necessarily time-consuming.

As of the same date, December 31, 1943, a total of 2,694 dispute cases was pending before regional boards and industry commissions. It will be noted (table A) that the number of cases closed per month shows a steady upward trend with a rather marked increase in dispute cases closed by regional boards for the month of December 1943.

As of the end of December 1943, the number of dispute cases closed by regional boards per week exceeded the number of cases received (chart A). On the basis of this achievement, the regional backlog of dispute cases leveled off during the last 3 months of 1943 (chart B). For the immediate future the most pressing problem relating to dispute cases is the reduction of this backlog.

Volume of voluntary cases.

More than 154,000 voluntary cases were received by the regional boards and industry commissions between October 1942 and December 1943 (table B).

The number of applications was moderate for the first 3 months of the stabilization program and increased sharply thereafter. For the last 6 months of 1943, the number of cases received averaged more than 12,000 a month.

Although the volume of voluntary cases received was not diminishing by the end of the year, the number of workers involved in these cases had fallen substantially. Thus, for the period October 1942-March 1943, the average number of workers per case was 93; the average number for June 1943 was 68; by December 1943, the average number had fallen to 44.

Of all the cases received as of December 31, 1943, almost 137,000 were disposed of by decision or otherwise. Only 112,250 of the 121,921 cases closed by regional board decisions required this action.

APPENDIX TABLE A.—Receipt and disposition of cases to the National War Labor Board by the Conciliation Service, Department of Labor¹
 [Jan. 3, 1942-Dec. 31, 1943]

Month	Received by the National War Labor Board				Referred to regions or commissions				Cases closed					Regions and commissions		
	Total	National War Labor Board ²	Arbitrator ³	Referee or hearing officer ⁴	Wage agreement ⁵	Total	Regions	Commissions	Total	National War Labor Board	Arbitrator	Referee or hearing officer	Wage agreement	Total	Regions	Commissions
1942																
January.....	44					2			2							
February.....	41					14			14							
March.....	34					10			10							
April.....	44					18			18							
May.....	46					33			33							
June.....	61					34			34							
July.....	76					27			27							
August.....	154	113	37		4	64			64	61	1		2			
September.....	199	111	67		21	62			62	58	1		2			
October.....	388	128	115		145	88			88				21			
November.....	624	225	140		259	31			31	19	5		7			
December.....	353	183	99	23	48	126			126	54	19		53			
1943																
January.....	331	220	60	28	23	66			114	50	14		50			
February.....	310	218	57	24	11	358			108	44	15		49			
March.....	348	246	45	57		345			134	74	30		29		27	58
April.....	406	281	31	94		231			160	80	53		26			
May.....	459	339	19	101		336			72	47	17		7			
June.....	586	444	17	125		689			371	64	29		9		114	13
July.....	579	415	3	161		730			103	76	17		6		268	24
August.....	578	387	8	183		534			457	105	16		3		362	32
September.....	618	426	8	184		673			507	72	48		2		435	26
October.....	508	323	4	181		544			538	112	65		12		426	385
November.....	542	358	3	181		422			488	121	69		7		367	41
December.....	517	352	3	162		464			551	89	16		35		402	60
Total.....	7,846					5,749	4,872	877	548	1,724	22	2		3,055	2,713	342

¹ This table does not include voluntary cases acted upon by the National Board which are referred to it by the regions, or voluntary and dispute cases on which it acts by assuming original jurisdiction.

² Disputes referred to panels appointed by the Board.

³ Agreements to arbitrate; arbitrator to be appointed by the Board; wage issue subject to Board review.

⁴ Agreements to submit a dispute to a referee or hearing officer appointed by the Board; all issues subject to Board review.

⁵ Voluntary wage agreements submitted for review through the Department of Labor.

⁶ Prior to this date the Commission tabulation covered the Detroit Tool and Die Commission, Non-Ferrous Metals Commission, Shipbuilding Commission, Trucking Commission, and the West Coast Lumber Commission. On Dec. 31, 1943, cases decided by the Wage Adjustment Board were added to this table.

CHART A
 RECEIPTS OF AND ACTIONS ON DISPUTE CASES IN NATIONAL WAR LABOR BOARD
 REGIONAL OFFICES JANUARY 1 THROUGH December 31, 1943

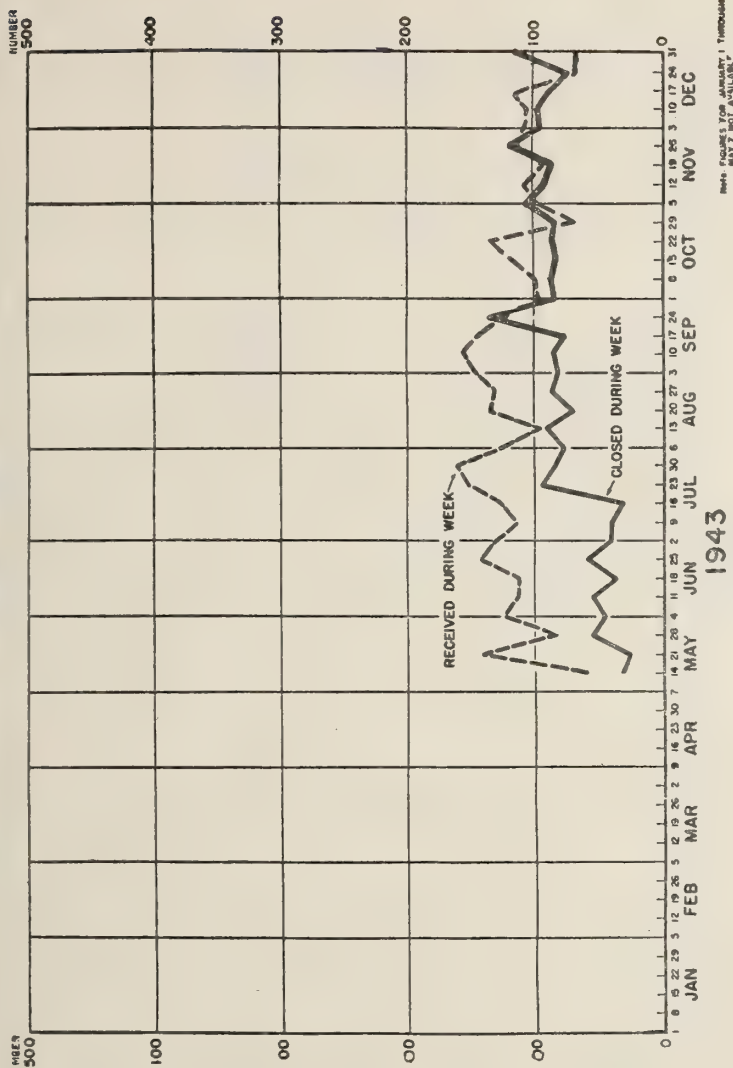
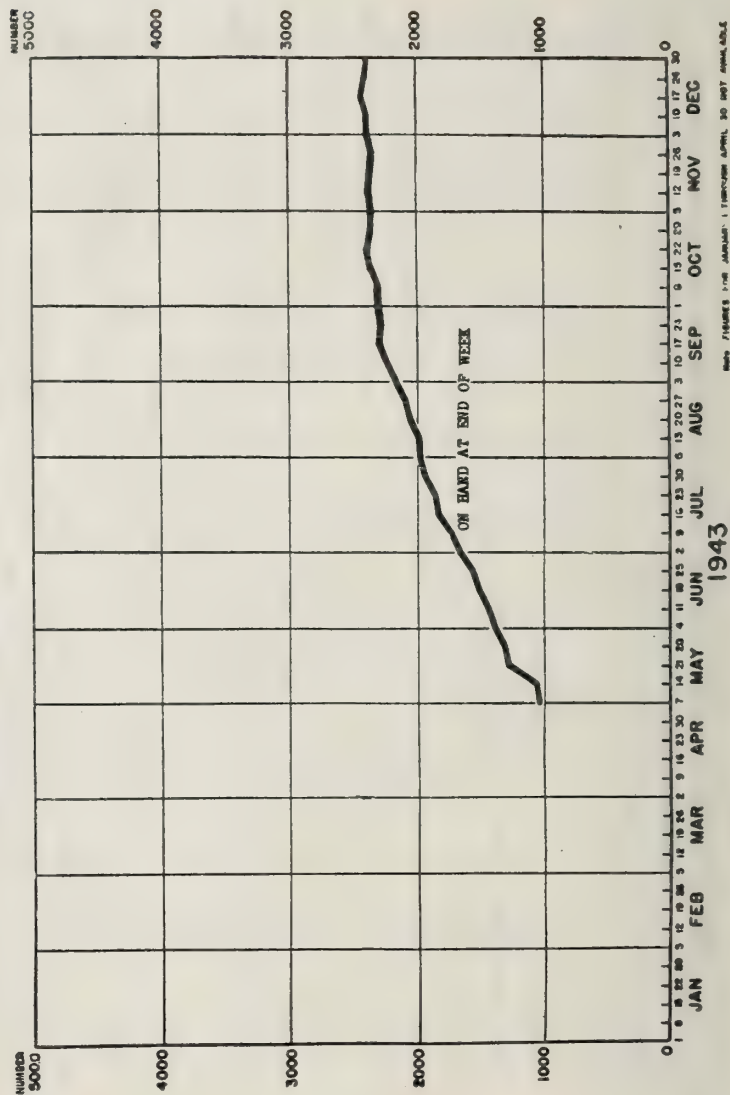


CHART B
BACKLOG OF DISPUTE CASES IN NATIONAL WAR LABOR BOARD REGIONAL OFFICES
 JANUARY 1 THROUGH December 31, 1943



APPENDIX TABLE B.—Receipt and disposition of voluntary cases arising in the regions and commissions

[Oct. 3, 1942, through Dec. 31, 1943]

Month	Regions				Commissions			
	Re- ceived	Disposed of		Pend- ing	Re- ceived	Disposed of		Pend- ing
		Decision	Other ¹			Deci- sion	Other ¹	
1942								
Oct. 3, 1942-Dec. 31, 1943	² 5,548	1,615	143	3,790				
January	7,399	2,332	1,122	7,735				
February	9,655	3,759	1,382	12,229				
March	13,072	8,258	1,042	16,001				
April	10,494	7,815	2,109	16,571				
May	9,741	3,251		23,031	³ 809			³ 809
June	11,345	10,493	438	23,445	494	355	52	896
July	11,304	14,309	1,122	19,318	313	135	8	1,066
August	13,918	14,913	995	17,328	299	246	1	1,118
September	16,547	15,833	1,138	16,904	298	327		1,089
October	12,751	13,521	874	15,260	411	488	241	771
November	12,654	11,643	867	15,404	305	382	55	639
December	15,978	14,149	893	16,340	⁴ 1,220	509	110	1,240
Total	150,386	⁵ 121,921	12,125	16,340	4,149	2,442	467	1,240

¹ The following types of cases handled by the regions and commissions are included in these figures: Referral to national office, referral to regions or commissions, withdrawal of application, denial without prejudice for lack of sufficient information in the application, returned to applicant because Board approval was not necessary. These figures have been partially estimated.

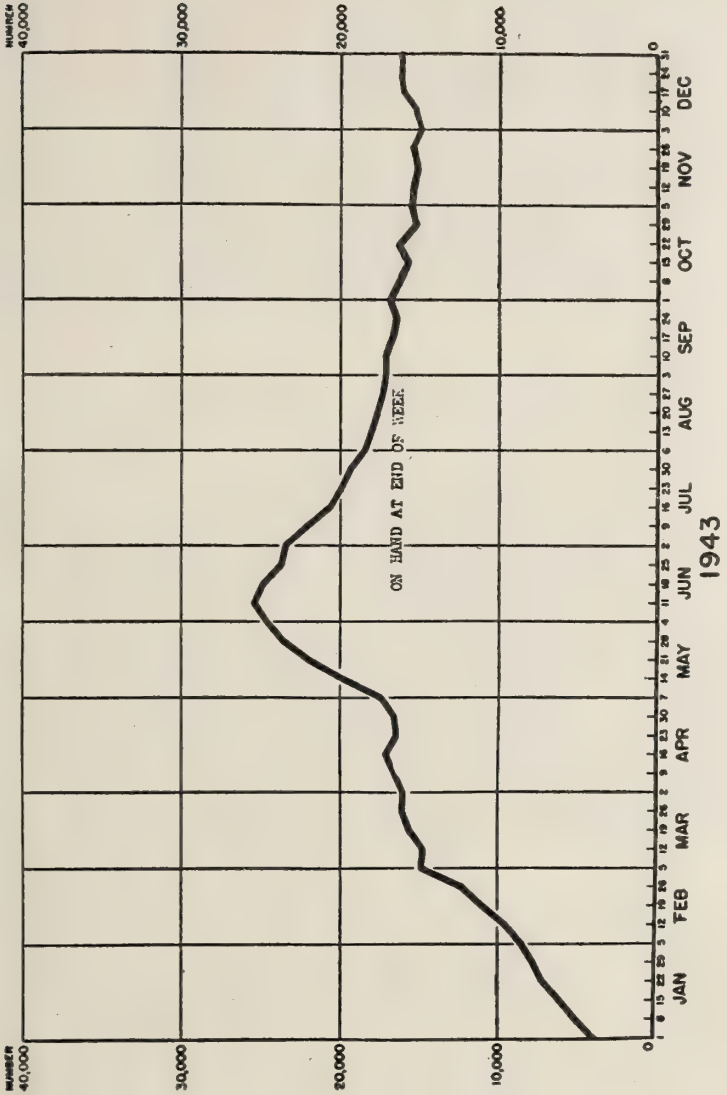
² Specific monthly data are not available for the period of Oct. 3, 1942, through Dec. 31, 1943.

³ Figures on receipts and disposition of voluntary cases, arising in the commissions are not available by month prior to this date.

⁴ Prior to this date the commission tabulation covered the Detroit Tool and Die Commission, Non-Ferrous Metals Commission, Shipbuilding Commission, Trucking Commission, and the West Coast Lumber Commission. Wage adjustment Board cases were added to this table as of December. There was a backlog of 767 cases in this committee on Dec. 31, 1943.

⁵ Of these cases, only 112,250 required Board action in terms of wage-stabilization criteria (see table VIII).

CHART D
BACKLOG OF VOLUNTARY CASES IN NATIONAL WAR LABOR BOARD
REGIONAL OFFICES, JANUARY 1 THROUGH December 31, 1943



APPENDIX B. PROTECTION AGAINST ARBITRARY ACTION: REVIEW AND RECONSIDERATION

The National War Labor Board, in creating its regional boards and commissions, gave to both parties the right to petition for review by the National Board and reserved the right to review, on its own initiative, without regard to whether a petition had been filed, any ruling or order issued by these agents in a voluntary or dispute case. Furthermore, the Board may assume jurisdiction over any case at any time either before or after the issuance of a ruling or final order. It will review decisions and rulings of regional boards and commissions whenever it becomes satisfied that a decision or ruling has been based upon erroneous findings of fact or conclusions of law, or has resulted in injustice or undue hardships to either party or has contravened an established policy of the National Board.

Petitions for reconsideration of National Board rulings on voluntary applications may be filed if the Board has modified or denied the application. Any party to a dispute case decided by the National Board may file a petition for reconsideration including those cases in which the Board has modified or reversed decisions of the regional boards and commissions.

Very few petitions for reconsideration of National Board decisions are filed. The following tabulation shows the receipt and disposition of petitions for reconsideration of directive orders in National Board dispute cases for the last 9 months of 1943:

Total filed	37
Total acted upon	29
Denied	23
Modifications and reversals	5
Withdrawn	1

Thus in about one out of every six cases reconsidered in the last 9 months of 1943, the Board has changed its original order upon a petition for reconsideration.

Tables C and D show that the National Board received 1,002 petitions for review of rulings and decisions of regional boards and commissions prior to January 1, 1944. Of this number 781, or 78 percent, were for review of decisions in dispute cases and only 221, or 22 percent, were for review of rulings in voluntary cases. The total number of petitions for review filed with the Board has, with the exception of a drop in November, steadily increased.

Prior to January 1, 1944, the National Board acted on 503 petitions (including petitions withdrawn by the petitioners), representing 50 percent of the total of 1,002 petitions filed. The backlog of petitions which have not been acted upon has increased even though there are now two full-time appeals committees to analyze the petitions and make recommendations to the National Board as to their disposition. Every effort is being made to expedite procedures so that these cases can be settled more quickly.

Of the total of 503 petitions acted upon 357, or 71 percent, were either denied or the petitions were entertained and the decisions and rulings of the regional boards and commissions sustained.

APPENDIX TABLE C.—*Receipt and disposition of petitions for review of regional and commission orders in dispute cases by the National War Labor Board*

Period covered	Appeals filed	Total actions	Denials of petitions for review by regional war labor board ¹	Modification and reversal of regional and commission action	Petitions for review withdrawn by parties	Referred back to region or commission
Prior to June 30, 1943 ²	14					
1943—						
July.....	47	49	47	2	0	0
August.....	83	38	29	4	5	0
September.....	118	56	45	6	5	0
October.....	193	54	28	12	13	1
November.....	139	130	88	19	11	12
December.....	187	101	73	11	9	8
Total.....	781	428	310	54	43	21

¹ Denials of petitions for review include those appeals in which regional and commission decisions were upheld and those appeals which were not accepted for review.

² Specific monthly data are not available prior to July 1, 1943.

APPENDIX TABLE D.—*Receipt and disposition of petitions for review of regional and commission voluntary rulings by the National War Labor Board*

Period covered	Appeals filed	Total actions	Appeals actions			
			Denials of petitions for review by National War Labor Board ¹	Modification and reversal of regional and commission action	Petitions for review withdrawn by parties	Referred back to regions and commissions
Prior to June 30, 1943 ²	3					
1943—						
July.....	19	2	0	1	1	0
August.....	16	26	20	6	0	0
September.....	19	6	2	4	0	0
October.....	40	9	7	2	0	0
November.....	50	11	6	4	1	0
December.....	74	21	12	4	2	3
Total.....	221	75	47	21	4	3

¹ Denials of petitions for review include those appeals in which regional and commission decisions were upheld and those appeals which were not accepted for review.

² Specific monthly data are not available prior to July 1, 1943.

The Board modified or reversed only 75, or 15 percent, of the 503 petitions upon which it acted. It modified or reversed 54 decisions in dispute cases, representing 13 percent of the total number of such petitions upon which action was taken. The percentage of rulings on voluntary applications reversed or modified was 28 percent of the total number of such applications acted upon, although the actual number was only 21.

In addition, 47 petitions were withdrawn, representing 9 percent of total actions, and 24, or 5 percent, were referred back to the regional boards or commissions for reconsideration.

78TH CONGRESS
2D SESSION

Calendar No. 935

S. 1764

[Report No. 922]

IN THE SENATE OF THE UNITED STATES

MARCH 9 (legislative day, FEBRUARY 7), 1944

Mr. WAGNER introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

MAY 30, 1944

Reported, under authority of the order of the Senate of May 29 (legislative day, May 9), 1944, by Mr. WAGNER, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 (b) of the Emergency Price Control Act of
4 1942, as amended by the Act of October 2, 1942, is hereby
5 amended by striking out "June 30, 1944" and substituting
6 "June 30, 1945".

7 SEC. 2. Section 6 of the Act of October 2, 1942, is

1 hereby amended by striking out "June 30, 1944" and sub-
 2 stituting "June 30, 1945".

3 That this Act may be cited as the "Stabilization Extension
 4 Act of 1944".

5 TITLE I—AMENDMENTS TO THE EMERGENCY
 6 PRICE CONTROL ACT OF 1942

7 TERMINATION DATE

8 SEC. 101. Section 1 (b) of the Emergency Price Con-
 9 trol Act of 1942, as amended, is amended by striking out
 10 "June 30, 1944," and substituting "December 31, 1945".

11 APPROPRIATION REQUIRED FOR SUBSIDIES

12 SEC. 102. Section 2 (e) of such Act is amended by
 13 adding at the end thereof the following new paragraph:

14 "After June 30, 1945, neither the Price Administrator
 15 nor the Reconstruction Finance Corporation nor any other
 16 Government corporation shall make any subsidy payments,
 17 or buy any commodities for the purpose of selling them at a
 18 loss and thereby subsidizing directly or indirectly the sale
 19 of commodities, unless the money required for such subsidies,
 20 or sale at a loss, has been appropriated by Congress for
 21 such purpose."

22 UNAUTHORIZED CONDITIONS OR PENALTIES

23 SEC. 103. Section 2 of such Act is amended by adding
 24 at the end thereof the following new subsection:

25 "(k) No agency, department, officer, or employee of the

1 Government, in the payment of sums authorized by this or
2 other Acts of Congress relating to the production or sale of
3 agricultural commodities, or in contracts for the purchase
4 of any such commodities by the Government or any depart-
5 ment or agency thereof, or in any allocation of materials or
6 facilities, or in fixing quotas for the production or sale of
7 any such commodities, shall impose any conditions or pen-
8 alties not authorized by the provisions of the Act or Acts, or
9 lawful regulations issued thereunder, under which such sums
10 are authorized, such contracts are made, materials and
11 facilities allocated, or quotas for the production or sale of
12 any such commodities are imposed. Any person aggrieved
13 by any action of any agency, department, officer, or employee
14 of the Government contrary to the provisions hereof, or by
15 the failure to act of any such agency, department, officer, or
16 employee, may petition the district court of the district in
17 which he resides or has his place of business for an order
18 or a declaratory judgment to determine whether any such
19 action or failure to act is in conformity with the provisions
20 hereof and otherwise lawful; and the court shall have juris-
21 diction to grant appropriate relief. The provisions of the
22 Judicial Code as to monetary amount involved necessary to
23 give jurisdiction to a district court shall not be applicable in
24 any such case."

ENFORCEMENT AUTHORIZATION

SEC. 104. Section 3 (e) of such Act is amended by striking out "(a) and (b)".

EXPENDITURES BY THE ADMINISTRATOR

SEC. 105. Section 201 (c) of such Act is amended to read as follows:

"(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

PROTEST PROCEDURE

SEC. 106. (a) The first sentence of section 203 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "Within a period of sixty days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within a period of sixty days after the effective date thereof specified in section 206),

1 or within a period of sixty days after June 30, 1944, which-
2 ever is later, any person subject to any provision of such
3 regulation, order, or price schedule may, in accordance with
4 regulations to be prescribed by the Administrator, file a
5 protest specifically setting forth objections to any such pro-
6 vision and affidavits or other written evidence in support
7 of such objections."

8 (b) Section 203 (c) of such Act is amended by insert-
9 ing before the period at the end thereof a colon and the
10 following: "Provided, however, That, upon the request of
11 the protestant, any protest filed in accordance with subsec-
12 tion (a) of this section, after September 1, 1944, shall,
13 before denial in whole or in part, be considered by a board
14 of review consisting of one or more officers or employees
15 of the Office of Price Administration designated by the
16 Administrator in accordance with regulations to be pro-
17 mulgated by him. The Administrator shall cause to be pre-
18 sented to the board such evidence, including economic data,
19 in the form of affidavits or otherwise, as he deems appro-
20 priate in support of the provision against which the protest
21 is filed. The protestant shall be accorded an opportunity
22 to present rebuttal evidence in writing and oral argument
23 before the board and the board shall make written recom-
24 mendations to the Price Administrator. The protestant
25 shall be informed of the recommendations of the board and,

1 in the event that the Administrator rejects such recommenda-
2 tions in whole or in part, shall be informed of the reasons
3 for such rejection”.

4 (c) Section 203 of such Act is further amended by
5 adding at the end thereof the following new subsection:

6 “(d) Any protest filed under this section shall be
7 granted or denied by the Administrator, or granted in
8 part and the remainder of it denied, within a reasonable
9 time after it is filed. Any protestant who is aggrieved by
10 undue delay on the part of the Administrator in disposing
11 of his protest may petition the Emergency Court of Appeals,
12 created pursuant to section 204, for relief; and such court
13 shall have jurisdiction by appropriate order to require the
14 Administrator to dispose of such protest within such time
15 as may be fixed by the court. If the Administrator does
16 not act finally within the time fixed by the court, the protest
17 shall be deemed to be denied at the expiration of that period.”

18 STAYS IN CRIMINAL PROCEEDINGS, AND SO FORTH

19 SEC. 107. Section 204 of such Act is amended by adding
20 at the end thereof the following new subsection:

21 “(e) Within five days after judgment in any criminal
22 proceeding brought pursuant to section 205 (b) for the
23 violation of any provision of any regulation or order issued
24 under section 2 or of any price schedule effective in accord-
25 ance with the provisions of section 206, the defendant may

1 apply to the district court for leave to file in the Emergency
2 Court of Appeals a complaint against the Administrator
3 setting forth objections to the validity of any provision
4 which the defendant has been found to have violated. The
5 district court shall grant such leave with respect to any
6 objection which it finds is made in good faith and with
7 respect to which it finds there is reasonable and substantial
8 excuse for the defendant's failure to present such objection
9 in a protest filed in accordance with section 203 (a).
10 Upon the filing of a complaint pursuant to and within thirty
11 days from the granting of such leave, the Emergency Court
12 of Appeals shall have jurisdiction to enjoin or set aside in
13 whole or in part the provision of the regulation, order, or
14 price schedule complained of or to dismiss the complaint.
15 The court may authorize the introduction of evidence, either
16 to the Administrator or directly to the court, in accordance
17 with subsection (a) of this section. The provisions of sub-
18 sections (b), (c), and (d) of this section shall be ap-
19 plicable with respect to any proceeding instituted in accord-
20 ance with this subsection. After judgment in any criminal
21 proceeding brought pursuant to subsection 205 (b), the
22 district court shall stay the execution of its judgment for
23 the violation of any provision of a regulation, order, or price
24 schedule concerning which there is pending a protest
25 properly filed by the defendant in accordance with the

1 provisions of section 203, or any judicial proceeding insti-
 2 tuted by the defendant in accordance with the provisions
 3 of this section, the stay to continue until the disposition of
 4 such protest, or judicial proceeding, and the expiration of
 5 the time allowed in this section for the taking of further
 6 proceedings with respect thereto. If any provision of a
 7 regulation, order, or price schedule is determined to be
 8 invalid by judgment of the Emergency Court of Appeals
 9 which has become effective in accordance with section 204 (b),
 10 any criminal proceeding pending in any court shall be dis-
 11 missed, and any judgment in such proceeding vacated, to the
 12 extent that such proceeding or judgment is based upon viola-
 13 tion of such provision. Except as provided in this subsection,
 14 the pendency of any protest under section 203, or judicial
 15 proceeding under this section, shall not be grounds for stay-
 16 ing any proceeding brought pursuant to section 205; nor,
 17 except as provided in this subsection, shall any retroactive
 18 effect be given to any judgment setting aside a provision
 19 of a regulation or order issued under section 2 or of a price
 20 schedule effective in accordance with the provisions of
 21 section 206.”

22

SUITS FOR DAMAGES

23

SEC. 108. (a) Subsection (e) of section 205 of such Act
 24 is amended to read as follows:

25

“(e) If any person selling a commodity violates a

1 regulation, order, or price schedule prescribing a maximum
2 price or maximum prices, the person who buys such com-
3 modity for use or consumption other than in the course of
4 trade or business may, within one year from the date of
5 the occurrence of the violation except as hereinafter provided,
6 bring an action against the seller on account of the over-
7 charge. In such action, the seller shall be liable for reason-
8 able attorney's fees and costs as determined by the court,
9 plus whichever of the following sums is the greater:
10 (1) Such amount not less than one and one-half times and
11 not more than three times the amount of the overcharge, or
12 the overcharges, upon which the action is based as the
13 court in its discretion may determine, or (2) \$50.
14 For the purposes of this section the payment or receipt
15 of rent for defense-area housing accommodations shall
16 be deemed the buying or selling of a commodity, as the
17 case may be; and the word 'overcharge' shall mean the
18 amount by which the consideration exceeds the applicable
19 maximum price. If any person selling a commodity
20 violates a regulation, order, or price schedule prescrib-
21 ing a maximum price or maximum prices, and the buyer
22 either fails to institute an action under this subsection within
23 thirty days from the date of the occurrence of the violation
24 or is not entitled for any reason to bring the action, the
25 Administrator may institute such action on behalf of the

1 *United States within such one year period. If such action*
2 *is instituted by the Administrator, the buyer shall there-*
3 *after be barred from bringing an action for the same viola-*
4 *tion or violations. Any action under this subsection by*
5 *either the buyer or the Administrator, as the case may be,*
6 *may be brought in any court of competent jurisdiction. A*
7 *judgment in an action for damages under this subsection*
8 *shall be a bar to the recovery under this subsection of any*
9 *damages in any other action against the same seller on ac-*
10 *count of sales made to the same purchaser prior to the insti-*
11 *tution of the action in which such judgment was rendered."*

12 *(b) The amendment made by subsection (a), insofar*
13 *as it relates to actions by buyers or actions which may be*
14 *brought by the Administrator only after the buyer has failed*
15 *to institute an action within thirty days from the occurrence*
16 *of the violation, shall be applicable only with respect to vio-*
17 *lations occurring after the date of enactment of this Act.*
18 *In other cases, such amendment shall be applicable with re-*
19 *spect to proceedings pending on the date of enactment of*
20 *this Act and with respect to proceedings instituted thereafter.*

21 REVIEW OF RATIONING SUSPENSION ORDERS

22 *SEC. 109. Section 205 of such Act is amended by add-*
23 *ing at the end thereof the following new subsection:*

24 *"(g) The district courts shall have exclusive jurisdiction*
25 *to enjoin or set aside, in whole or in part, orders for suspen-*

1 sion of allocations, and orders denying a stay of such sus-
 2 pension, issued by the Administrator pursuant to section
 3 2 (a) (2) of the Act of June 28, 1940, as amended by the
 4 Act of May 31, 1941, and title III of the Second War Pow-
 5 ers Act, 1942, and under authority conferred upon him
 6 pursuant to section 201 (b) of this Act. Any action to
 7 enjoin or set aside such order shall be brought within five days
 8 after the service thereof. No suspension order shall take
 9 effect within five days after it is served, or, if an application
 10 for a stay is made to the Administrator within such five-day
 11 period, until the expiration of five days after service of an
 12 order denying the stay. No interlocutory relief shall be
 13 granted against the Administrator under this subsection
 14 unless the applicant for such relief shall consent, without
 15 prejudice, to the entry of an order enjoining him from vio-
 16 lations of the regulation or order involved in the suspension
 17 proceedings."

18 **TITLE II—AMENDMENTS TO THE STABILI-**
 19 **ZATION ACT OF OCTOBER 2, 1942**

20 **COTTON TEXTILES**

21 **SEC. 201.** Section 3 of the Stabilization Act of October
 22 2, 1942, as amended, is amended by adding at the end
 23 thereof the following new paragraph:

24 "Any maximum price established or maintained under
 25 authority of this Act or otherwise for any textile product

1 processed or manufactured in whole or substantial part from
2 cotton or cotton yarn shall be not less for any specific textile
3 item than the sum of the following: (1) The cost of the
4 cotton or yarn involved, plus the cost of delivery of such
5 cotton or yarn to the point of processing or manufacturing,
6 as determined by the War Food Administrator; (2) the
7 total current cost of whatever nature incident to processing
8 or manufacturing and marketing such item, computed at a
9 uniform figure that will cover the costs of any manufacturer
10 or processor among the manufacturers or processors of at least
11 90 per centum by volume of such item; and (3) a reasonable
12 profit on such item, in addition to the costs computed as pro-
13 vided in clauses (1) and (2). The maximum price estab-
14 lished for any textile item under this Act or otherwise shall
15 be adjusted to the extent necessary to conform with the re-
16 quirements of this paragraph within sixty days after the
17 date of its enactment. For the purposes of this paragraph,
18 the cost of any cotton shall be deemed to be not less than
19 the parity price for such cotton (adjusted for grade, location,
20 and seasonal differentials); except that for the sixty-day
21 period beginning one hundred and twenty days after the
22 date of enactment of this paragraph, and for each subsequent
23 sixty-day period, if the actual current market value of such
24 cotton at the beginning of such period is lower than such
25 parity price, the cost of such cotton during such sixty-day

1 period shall be deemed to be the actual current market value
 2 at the beginning of such period, and whenever a change is
 3 made in such cost of cotton a corresponding change shall be
 4 made in the maximum price for each specific textile item.
 5 The method that is now used for the purposes of loans under
 6 section 8 of this Act for determining the parity price or its
 7 equivalent for seven-eighths inch Middling cotton at the aver-
 8 age location used in fixing the base loan rate for cotton shall
 9 also be used for determining the parity price for seven-eighths
 10 inch Middling cotton at such average location for the pur-
 11 poses of this section; and any adjustments made by the
 12 Secretary of Agriculture or the War Food Administrator
 13 for grade, location, or seasonal differentials for the purposes
 14 of this section shall be made on the basis of the parity price
 15 so determined. For the purposes of this paragraph, the terms
 16 'textile product' and 'textile item' mean any product or item
 17 manufactured or processed in whole or substantial part from
 18 cotton or cotton yarn by any manufacturer or processor
 19 engaged in the manufacture or processing of such product
 20 or article from cotton or cotton yarn."

21 SETTLEMENT OF DISPUTES UNDER RAILWAY LABOR ACT

22 SEC. 202. Section 4 of such Act of October 2, 1942,
 23 is amended by adding at the end thereof the following new
 24 paragraph:

25 "In any dispute between employees and carriers subject

1 to the *Railway Labor Act*, as amended, as to changes af-
 2 fecting wage or salary payments, the procedures of such Act
 3 shall be followed for the purpose of bringing about a settle-
 4 ment of such dispute. Any agency provided for by such
 5 Act, as a prerequisite to effecting or recommending a settle-
 6 ment of any such dispute, shall make a specific finding and
 7 certification that the changes proposed by such settlement or
 8 recommended settlement are consistent with such standards as
 9 may be then in effect, established by or pursuant to law, for
 10 the purpose of controlling inflationary tendencies. Where
 11 such finding and certification are made by such agency, they
 12 shall be conclusive, and it shall be lawful for the employees
 13 and carriers, by agreement, to put into effect the changes
 14 proposed by the settlement or recommended settlement with
 15 respect to which such finding and certification were made."

16 TERMINATION DATE

17 SEC. 203. Section 6 of such Act of October 2, 1942,
 18 is amended by striking out "June 30, 1944" and substituting
 19 "December 31, 1945".

20 LOAN RATE FOR AGRICULTURAL COMMODITIES

21 SEC. 204. (a) Section 8 (a) (1) of such Act of October
 22 2, 1942 (relating to loans upon cotton, corn, wheat, rice,
 23 tobacco, and peanuts), is amended by striking out "at the rate
 24 of 90 per centum of the parity price" and inserting in lieu
 25 thereof "at the rate of 95 per centum of the parity price".

1 *The amendment made by this subsection shall be applicable*
 2 *with respect to crops harvested after December 31, 1943.*
 3 *In the case of loans made under such section 8 upon any*
 4 *of the 1944 crop of any commodity before the amendment*
 5 *made by this subsection takes effect, the Commodity Credit*
 6 *Corporation is authorized and directed to increase or pro-*
 7 *vide for increasing the amount of such loans to the amount*
 8 *of the loans which would have been made if the loan rate*
 9 *specified in this subsection had been in effect at the time*
 10 *the loans were made.*

11 (b) *Section 4 (a) of the Act entitled "An Act to*
 12 *extend the life and increase the credit resources of the*
 13 *Commodity Credit Corporation, and for other purposes",*
 14 *approved July 1, 1941, as amended (relating to supporting*
 15 *the prices of nonbasic agricultural commodities), is amended*
 16 *by striking out "90 per centum" and inserting in lieu thereof*
 17 *"95 per centum". The amendment made by this subsection*
 18 *shall, irrespective of whether or not there is any further*
 19 *public announcement under such section 4 (a), be appli-*
 20 *cable with respect to any commodity with respect to which*
 21 *a public announcement has heretofore been made under*
 22 *such section 4 (a).*

Amend the title so as to read: "A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes."

78TH CONGRESS
2d Session

S. 1764

[Report No. 922]

A BILL

To amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

By Mr. WAGNER

MARCH 9 (legislative day, FEBRUARY 7), 1944
Read twice and referred to the Committee on
Banking and Currency

MAY 30, 1944

Reported with amendments

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 1, 1944, for actions of Wednesday, May 31, 1944)

(For staff of the Department only)

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SENATE

1. PRICE CONTROL; RATIONING; COMMODITY LOANS. On May 30, during Senate recess, the Banking and Currency Committee reported with amendment S. 1764, the price-control bill (S. Rept. 922)(p. 5212).

Summary of Committee bill: (1) Amends the Emergency Price Control Act of 1942 as follows: Continues the Act from June 30, 1944, to Dec. 31, 1945. Provides that after June 30, 1945, neither the Price Administrator nor any Government corporation shall make subsidy payments, or buy commodities to sell at a loss, unless funds have been appropriated by Congress for such purpose. Prohibits imposition of conditions or penalties not authorized by law, in connection with Government payments, contracts, quotas, etc., regarding farm commodities (Committee report mentions WFA and farmers' gasoline). Permits OPA enforcement proceedings to be brought without approval of the Secretary of Agriculture. Authorizes OPA to buy commodities to obtain information regarding violations of regulations. Provides a new 60-day period after July 1, 1944, regarding protests against regulations issued before that date. Makes several procedural amendments regarding protests. Permits defendants, in certain criminal proceedings, to challenge the regulations which they are charged with violating. Modifies the provision for damage actions against sellers and landlords; and authorizes OPA to bring such actions if the person damaged does not. Gives statutory sanction to the right of judicial review of rationing suspension orders. (2) Amends the Stabilization Act of 1942 as follows: Provides that the maximum price for any cotton textile item shall not be less than the sum of cotton or yarn costs, manufacturing and marketing costs, and a reasonable profit; provides for cotton-cost computation at parity after a temporary period; requires change in textile prices when there is change in cotton cost; provides that cotton parity for price-control purposes shall be the same as cotton parity for loan purposes. Continues until Dec. 31, 1945, provisions of the Act which would expire June 30, 1944. Increases the commodity-loan and price-support rate from 90% to 95%.

Sen. Taft, Ohio, and others debated whether the supplemental statement, in the Committee report, was actually a part of the report (pp. 5217-18).

Chairman Wagner of the Committee announced that he will move for consideration of the bill next Mon. (p. 5225).

2. DEBT LIMIT. Passed with amendments H. R. 4464, to increase the U. S. debt limit

to \$260,000,000,000 (pp. 5214-21). As passed by the House, the bill would have increased the debt limit to \$240,000,000,000.

3. FARM CREDIT. Banking and Currency Committee reported without amendment H. R. 4102, to provide for a 4% interest rate on Land Bank Commissioner loans between July 1, 1944, and July 1, 1945 (S. Rept. 927)(p. 5212).
4. RIVERS-HARBORS BILL. Discussed the bill, H. R. 3961 (pp. 5221-5).
5. NOMINATION; TRANSPORTATION. Received the nomination of George M. Barnard, Ind., to be an Interstate Commerce Commissioner, vice Joseph B. Eastman, deceased (p. 5226).

HOUSE

6. FOREIGN RELIEF. Military Affairs Committee reported with amendment H. R. 3199, to authorize the appropriation, for expenditure by the Office of Foreign Relief and Rehabilitation Operations, of certain amounts received from services of conscientious objectors (H. Rept. 1581)(p. 5233).
7. FLOOD CONTROL. Received several survey reports from the War Department (H. Docs. 624, 625, 626, 627, 628, and 629). To Flood Control Committee. (p. 5233.)

BILLS INTRODUCED

8. PROPERTY DISPOSITION. By Sen. Gillette, Iowa, S. 1963, to control the disposition of certain plants and facilities producing synthetic rubber, fibers, and other plants and facilities utilizing the products of farm and forest. To Agriculture and Forestry Committee. (p. 5213.)
9. RECLAMATION. By Rep. Murdock, Ariz., H. R. 4903, to amend Secs. 4, 7, and 17 of the Reclamation Project Act of 1939 to extend the time for amendatory contracts, etc. To Irrigation and Reclamation Committee. (p. 5234.)
By Rep. Lemke, N. Dak., H. Res. 570, authorizing the Committee on Irrigation and Reclamation to make an investigation of the plans for the improvement of the Missouri River Basin and its tributaries. To Rules Committee. (p. 5234.)
By Rep. Lemke, N. Dak., H. Res. 571, providing for the expenses of the investigation authorized by H. Res. 570, 78th Cong. To Accounts Committee. (p. 5234.)

ITEMS IN APPENDIX

10. PERSONNEL. Sen. Wagner, N. Y., inserted a Washington Post editorial commending the House Appropriation Committee's recommendation to allot a half a million dollars for continuation of the President's Fair Employment Practice Committee (p. A2862).
11. EGG PRICES. Sen. Danaher, Conn., inserted Washington Post articles, "W. F. A. Will Bury Eggs to Bolster Market" and "Eggs Going Into Animal Feed—Storage Facilities Lacking, W. F. A. Acts to Support Prices" (pp. A2862-3).
1. PRICE CONTROL. Extension of remarks of Rep. Larcade, La., criticizing OPA and inserting a La. Legislature resolution favoring higher rice and strawberry prices
13. LABOR; POST-WAR PLANNING. Sen. Murdock, Utah, inserted a report on (p. A2883). the ILO conference, mentioning post-war planning, foreign trade, etc. (pp. A2863-71)
- BILL APPROVED BY THE PRESIDENT: 14. TAXATION. H. R. 4646, the tax-simplification bill. Approved May 29. (Public Law 315, 78th.) For provisions, see Digest 80.

admissions. If the cabaret tax were reduced, and the theater tax left where it is, more hell would be raised over those two taxes than we have ever heard in connection with the cabaret tax.

If we are to reduce the cabaret tax from 30 percent to 10 percent, let us at the same time reduce the 20-percent theater tax to 10 percent, and let the two amendments go to conference to be adjusted, so that justice may be done to 95,000,000 poor people whose only means of recreation and pleasure is the theater. The motion-picture theater owners have contributed greatly to the war effort, whereas the cabarets have done absolutely nothing but rake in the golden shekels.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

Mr. TAFT. Mr. President, the Committee on Banking and Currency has submitted an explanation of Senate bill 1764, to amend the Emergency Price Control Act of 1942 as amended by the act of October 2, 1942, together with a report thereon. The report contains a general statement and also a supplemental statement. I wish to say that I wholly dissent from the supplemental statement. The report is ambiguous with respect to whether the supplemental statement is a part of the report. It was clearly my understanding that it was not to be a part of the committee report: Yet, the general report, in which I concur, does not make it at all clear to my mind that the supplemental statement is not a part of the committee report. It seems to be a statement prepared by the Office of Price Administration which has never been approved by the committee, and does not in any way represent, in my opinion, the proper summary of the evidence which was submitted to the committee. If there is any question whatever about it being a part of the report, I desire to file minority views. I do not know whether the chairman of the committee regards the supplemental report as a part of the general report. However, I should like to know whether he does so regard it, because if it is a part of the general report I desire to file dissenting views.

Mr. WAGNER. Mr. President, it is a part of the report submitted by the full committee. As the Senator will recall, a subcommittee was appointed consisting of three Senators, namely, the junior Senator from Maryland [Mr. RADCLIFFE], the junior Senator from Connecticut [Mr. DANAHER], and myself. All members of the committee on the side of the Senator from Ohio agreed to abide by the views as outlined by the junior Senator from Connecticut.

Mr. TAFT. However, the full report was submitted to the committee. The committee disagreed with it.

It was agreed that there should be a general report submitted, and that the supplemental statement should be attached as an exhibit, to which I had no objection. It was not, however, to be a part of the report. The subcommittee to which the matter was referred, consisting of the Senators whom the Senator has named, was authorized to carry out

the wishes of the committee, but it was distinctly understood that the so-called supplemental statement was not to be a part of the report. In my opinion, it has simply incorporated all the evidence of the Office of Price Administration, which constitutes a propaganda statement of the position of the Office of Price Administration. It never was approved by the Committee on Banking and Currency. If the chairman of the committee intends that it shall be accepted as a part of the report, I ask for permission to file dissenting minority views.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. DANAHER. Mr. President, I should like to invite the attention of the Senator from Ohio while I note that it is my belief his fears are unfounded. I first point out that on page 1 of the document known as Report No. 922, there appears the headline "General statement." Those words were not in the memorandum upon which the Senator from New York [Mr. WAGNER], the Senator from Maryland [Mr. RADCLIFFE], and I agreed. I have no doubt, however, that they have been interpolated by the legislative draftsman with the view to explaining the basis upon which the report proceeds.

On page 3, in similar size type, there will be found the words "Text of reported bill."

At the top of page 8, in similar size type, there will be found the heading "Explanation of reported bill."

Similarly, at the top of page 20 we find the heading "Minority views." Obviously those minority views are the views stated by the senior Senator from New York [Mr. WAGNER], the senior Senator from Virginia [Mr. GLASS], the senior Senator from Connecticut [Mr. MALONEY], the junior Senator from Maryland [Mr. RADCLIFFE], the junior Senator from Utah [Mr. MURDOCK], and the junior Senator from Connecticut [Mr. DANAHER]. But granted that they are minority views, so submitted, and so incorporated in Report No. 922, obviously they are not the report of the majority of the committee, and that fact is so designated therein.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. DANAHER. I should like to make my next point if the Senator from New York will forbear.

Mr. WAGNER. Very well.

Mr. DANAHER. At the top of page 26 there appears the heading "Supplemental statement." Following that appears this language:

The supplemental statement which the committee has caused to be attached is as follows:

Now, where did we cause it to be attached? If we will refer back to page 3, we will find that the concluding paragraph of the general statement reads as follows:

The hearings on these measures have been so voluminous and so many witnesses have appeared that the record includes more than 1,600 pages of testimony, graphs, and other pertinent data. For the convenience of the Senate, the committee has caused to be at-

tached a supplemental statement which will be found to abstract relevant material of assistance in understanding the background of such problems as rationing, wage and salary stabilization, rent control, and other phases of our wartime stabilization program. At appropriate points this statement includes illustrative graphs submitted by the Office of Price Administration in the course of its presentation.

I assume that if the Senator from Ohio wishes to read into the language after "supplemental statement," the words "as an exhibit" and so designate the part to which he has referred, no harm would be done. I assume that if that course were followed, the status of the matter in the mind of the Senator from Ohio would be entirely clarified.

Mr. TAFT. Not at all, because the chairman of the committee says that it is a part of the committee report, and inasmuch as he says that, I wish to state my dissent from it and my intention to file minority views. If it is submitted as an exhibit by the Price Administration stating their side of the case, very well, I have no objection; but certainly it seems to me it is at least ambiguous and, since the chairman of the committee says it is a part of the report, I assume that it is so intended to be. The chairman seems to differ from the Senator from Connecticut.

Mr. WAGNER. There is no difference at all. The supplemental statement is added as a part of the report, of course. What else could it be but a supplement to the report?

Mr. TAFT. It is not a fair compilation of the evidence that was adduced before the committee. It wholly omits all the critical evidence; it wholly omits two-thirds of the witnesses who appeared before us and submitted a series of objections to the manner in which the Price Administration has been operated. It only summarizes the Price Administration's case. I think if it is to be there at all, it ought to be purely as an exhibit of the Price Administration. It is there now; but I wish to express my dissent from it, and my intention to file minority views. I have done my best throughout the hearings to reach a conclusion upon which the whole committee could agree, but if this is to be a part of the report my efforts along that line have come to an end.

Mr. DANAHER. Mr. President, I understand, of course, the point the Senator from Ohio is seeking to make, but I still insist that he is going afield from the way we looked at the matter in the committee when we had the subject under consideration. For example, let us take one of the graphs. I happened by accident to have turned to page 34, where I find this:

Each week we get 4,500,000 telephone calls.

Mr. President, it is perfectly clear that what is being referred to there is the Office of Price Administration; the reference is not to Senators and not to the committee, although I admit there are weeks when it seems to me that I get 4,500,000 telephone calls. The fact is that no part of the findings of the Senate Committee on Banking and Currency.

It goes on to say:

Two million five hundred thousand letters—

An actual count in our offices will not run quite so high, I admit—

6,000 applications for price increases, 1,500,000 personal calls at O. P. A. offices.

It seems to me that a reference to the statement itself which is attached as a supplemental statement will disclose that in fact that is all it is. I hope with this explanation the Senator from Ohio will concur ultimately.

Now, let me say further that, while it is true that in the compilation of this supplemental statement the Office of Price Administration, of course, had a great deal to do with its format and preparation, it was under the supervision of our legislative draftsmen, and much of it was the work of Mr. Charles S. Murphy, the assistant legislative counsel, who was in constant attendance upon our executive sessions.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield.

Mr. MURDOCK. It seems to me that the supplemental statement heading to which the Senator from Ohio objects is the very language that was mentioned during the discussions of the committee. It was understood, as he says, that it would accompany the report either under the heading of an exhibit or as a supplemental or added statement. As I remember the action of the Banking and Currency Committee and of the subcommittee with respect to the matter, it was exactly that there would be added a supplemental statement or exhibit or appendix as a part of the report, with a proper title indicating what it was.

Mr. DANAHER. I think the Senator from Utah has stated the situation with substantial accuracy. The point about it was that when we were confronted with all these documents it became perfectly apparent that we were not going to have complete accord as to what would comprise the committee report. We therefore set out to subdivide and take into account everything that would be the basis for general agreement, and that much, on pages 1, 2, and 3, is the report. Then we report the bill with our committee changes and an explanation of the changes. All that is perfectly apparent from an examination of pages 3 to 21, and the Senator from New York and I and other Senators joined in minority views, appearing at pages 20 to 25.

There is then attached at page 26 a supplemental statement, which we submit for the convenience of the Senate, for its general understanding of the background and some of the data which were submitted in the course of the hearings.

Mr. TAFT. I wish to say that my understanding was distinctly different. When this was referred to the subcommittee I understood that the supplemental statement was to be printed in the Appendix as a statement from the Price Administration. As it appears here it looks as if the chairman was correct in his statement that it is a part of the report. Under those circumstances I

wish to indicate my dissent and my intention to file dissenting views.

The PRESIDING OFFICER. The Senator from Ohio has been granted permission to submit minority views on the O. P. A. bill.

Mr. TAFT. After all the supplemental statement covers from page 26 to page 80. It comprises most of the report. It is the thing one would look to if he were interested in the subject at all and he would probably look mostly at the graphs.

Take page 46, from which I read:

Has price control hurt small business?

Then there is a series of figures tending to show that small business has been benefited. Those figures are absolutely at variance with the figures of the Committee on Small Business of the Senate. They were prepared by the Price Administration to prove their case. I do not think they are actually in accord with the facts at all.

Take the statement about rents on pages 50 and 52. On page 50 is shown the fact that no rents have been increased at all, but on page 52 the whole thing is contradicted by saying that "9,994 small buildings show net operating income up 44.4 percent." Certainly, if the small buildings were occupied by tenants and there had been no rent increases, the landlord's costs certainly increased. The two things contradict each other on their face.

I think it was not intended that it be submitted as a part of the report, but if it is, I shall in due time submit minority views.

Mr. DANAHER. Mr. President, I merely wish to make it perfectly clear that my understanding is that what now appears as a General Statement under those words on page 1, actually comprises the committee's report, reporting the text of the bill which commences on page 3, with the explanations which in turn supplement the reported bill, the explanations appearing at page 8. Then, for the convenience of the Senate, as we say on page 3, we attach a "supplemental statement" abstracting certain material and including "illustrative graphs submitted by the Office of Price Administration in the course of its presentation," and we hope that it will prove of assistance to the Senate. That is all it is. That is the way I view it.

DISPOSITION OF TRIBAL FUNDS OF THE MINNESOTA CHIPPEWA TRIBE OF INDIANS

Mr. SHIPSTEAD. Mr. President, on May 25, the day on which the calendar was last called, Senate bill 873, to provide for the disposition of tribal funds of the Minnesota Chippewa Tribe of Indians was passed. An identical House bill, H. R. 2085, at that time was pending before the Senate Committee on Indian Affairs, which had considered the Senate bill.

In order to expedite the parliamentary situation with respect to the two bills, I ask unanimous consent that the Committee on Indian Affairs be discharged from the further consideration

of the House bill and that it may be considered as having been read the third time and passed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the Committee on Indian Affairs is discharged from the further consideration of House bill 2085.

Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 2085) to provide for the disposition of tribal funds of the Minnesota Chippewa Tribe of Indians was considered, ordered to a third reading, read the third time, and passed.

Mr. SHIPSTEAD. With a view to the indefinite postponement of Senate bill 873, to provide for the disposition of tribal funds of the Minnesota Chippewa Tribe of Indians, I now enter a motion to reconsider the vote by which the bill was passed, and move that the House be requested to return the bill to the Senate.

The PRESIDING OFFICER. The motion to reconsider the vote by which Senate bill 873 was passed will be entered.

The question is on agreeing to the motion of the Senator from Minnesota that the House be requested to return Senate bill 873 to the Senate.

The motion was agreed to.

INCREASE IN LIMITATION ON NATIONAL DEBT

The Senate resumed the consideration of the bill (H. R. 4464) to increase the debt limit of the United States.

Mr. MEAD. Mr. President, reverting to the bill to increase the debt limit, and particularly to the amendment presented by my distinguished colleague, the junior Senator from California [Mr. DOWNEY], let me say that this is entirely a tax problem. It is neither a police problem nor is it a manpower problem. It is not a question of the regulation or the control of entertainment, nor are those who favor the amendment, nor those who oppose the amendment, for that matter, taking a stand in support of or in opposition to the form of entertainment.

The province of the Federal Government in this matter pertains entirely to the question of taxes. The power to regulate and control is a question for the States to determine. This might better be referred to as a tax on food, because where food is served, under the law, which the pending amendment seeks to moderate it is the subject of the tax, while the radio, the juke box, and the orchestra, as such, are not taxed. Entertainment, if it confines itself to orchestral entertainment, is not taxable, but if someone were to sing, or if dancing were permitted, even though it might be at a benefit affair, open to the public, conducted by a fire company, a fraternal or civic organization, then it would become taxable.

So, Mr. President, having in mind only the province of the Federal Government insofar as the principles of the pending bill are concerned, I feel that we should direct our attention in such a way as to bring about the largest financial return to the Treasury of the United States.

today introduced a resolution which requests the President to appoint Members of the Senate and the House of Representatives to the commission or commissions selected to negotiate the peace treaties or agreements at the close of the present war. The resolution provides that the congressional delegation be equally divided between Democratic and Republican Members. The appointment of Members of the Senate and the House to the commission selected to negotiate the peace treaties will produce executive-legislative cooperation so necessary in the conduct of foreign affairs. The passage of the resolution I have introduced will be most helpful in the formation of treaties and will ensure more favorable reception of the agreements reached at the close of the present war. We must have greater cooperation between the legislative and executive branches of the Government in the making of treaties.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. MERROW. I yield.

Mr. CANFIELD. I think the proposal of the gentleman is both timely and constructive. I commend him for making it.

Mr. MERROW. I thank the gentleman.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. TALBOT, for June 2, 3, and 5, on account of business.

To Mr. HESS (at the request of Mr. COLE of New York), for 4 days, on account of official business.

To Mr. STIGLER, for Saturday, Monday, Tuesday, and Wednesday, on account of the death of his brother.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include quotations and excerpts from certain state documents, from Mr. Churchill's speech, and from press reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

ADJOURNMENT

Mr. THOMASON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Saturday, June 3, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, June 6, 1944)

There will be a meeting of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, June 6, 1944, to begin public hearings on bills extending the Civilian Pilot Training Act.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Tuesday, June 13, 1944)

The Committee on the Merchant Marine and Fisheries will continue its consideration of H. R. 4486, relative to the post-war disposition of merchant vessels, on Tuesday, June 13, 1944, at 10 a. m.

Persons desiring to be heard should notify the clerk of the committee in writing as soon as possible.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1604. A letter from the Attorney General, transmitting a draft of a proposed bill to amend section 327 (h) of the Nationality Act of 1940; to the Committee on Immigration and Naturalization.

1605. A letter from the Chairman, Board of Investigation and Research, transmitting a summary of a report on Federal regulatory restrictions upon motor and water carriers (H. Doc. No. 637); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

1606. A letter from the Attorney General, transmitting a draft of a proposed bill to provide for the extension and application of the provisions of the Classification Act of 1923, as amended, to certain officers and employees of the Immigration and Naturalization Service in the Department of Justice; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 4937. A bill making appropriations for defense aid (Lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes; without amendment (Rept. No. 1591). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 4911. A bill to amend the Federal Crop Insurance Act; without amendment (Rept. No. 1592). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MURDOCK:

H. R. 4932. A bill to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes; to the Committee on Irrigation and Reclamation.

By Mr. DICKSTEIN:

H. R. 4933. A bill to amend the Revenue Act of 1943; to the committee on Ways and Means.

H. R. 4934. A bill to amend the Revenue Act of 1943; to the Committee on Ways and Means.

By Mr. BULWINKLE:

H. R. 4935. A bill to provide for a study of multiple taxation of air commerce, and for

other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SHEPPARD:

H. R. 4936. A bill to provide for the refund of certain interest paid by veterans on loans secured by adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H. R. 4938. A bill to provide for the investigation by the Federal Bureau of Investigation of black-market operations in Cleveland, Ohio; to the Committee on the Judiciary.

By Mr. PETERSON of Georgia:

H. R. 4939. A bill to provide for improved agricultural land utilization by assisting in the rehabilitation and construction of drainage works in the humid areas of the United States; to the Committee on Agriculture.

By Mr. FARRINGTON:

H. R. 4940. A bill to authorize the admission into the United States under a quota for Koreans, persons of the Korean race, to make them racially eligible for naturalization, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SPENCE:

H. R. 4941. A bill to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes; to the Committee on Banking and Currency.

By Mr. MERROW:

H. Con. Res. 89. Concurrent resolution to provide for the inclusion of congressional representatives on any commission which treats with peace treaties or agreements; to the Committee on Foreign Affairs.

By Mr. DICKSTEIN:

H. Res. 576. Resolution to provide for the temporary admission of political or religious refugees of continental Europe into areas within the United States to be known as free ports for refugees; to the Committee on Immigration and Naturalization.

By Mr. GILLIE:

H. Res. 577. Resolution authorizing an investigation of the shortage of agricultural implements, and for other purposes; to the Committee on Rules.

By Mr. H. CARL ANDERSEN:

H. Res. 578. Resolution authorizing an investigation of the shortage of agricultural implements, and for other purposes; to the Committee on Rules.

By Mr. ROBINSON of Utah:

H. Res. 579. Resolution authorizing the printing of additional copies of the hearings held before the Committee on Roads of the House of Representatives, current session, on the bill (H. R. 2426) to supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BECKWORTH:

H. R. 4942. A bill for the relief of Mr. Lum Jacobs and Mrs. Lum Jacobs; to the Committee on Claims.

By Mr. FISHER:

H. R. 4943. A bill for the relief of Mrs. Nettie Peters; to the Committee on Claims.

By Mr. FORAND:

H. R. 4944. A bill for the relief of Robert F. Birt; to the Committee on Claims.

By Mr. GORSKI:

H. R. 4945. A bill for the relief of Myles Perz; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 4946. A bill to reimburse certain aviation cadets and former aviation cadets for the value of personal property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred, as follows:

5781. By Mr. KELLEY: Petition of certain doctors and other citizens of Torrance, Pa., favoring the commissioning of X-ray technicians as officers in the Medical Corps of the Army and the Medical Corps of the Navy; to the Committee on Military Affairs.

5782. Also, petition of the Pennsylvania Federation of Women's Clubs, urging support of the Thomas bill, S. 1670, to provide for a broad publicly supported educational program; to the Committee on Education.

5783. Also, petition of the Pennsylvania Federation of Women's Clubs, urging the setting up of a United Nations council to proceed with the formation of the general inter-

national organization foreshadowed in the Moscow Declaration and the Connally resolution; to the Committee on Foreign Affairs.

5784. By Mr. MYERS: Petition of sundry citizens of Philadelphia, Pa., protesting against House bill 2082, providing for the return of prohibition; to the Committee on the Judiciary.

5785. By the SPEAKER: Petition of Local No. 685, U. A. W.-C. I. O., United Automobile, Aircraft, and Agricultural Implement Workers of America petitioning consideration of their resolution with reference to support of the President's request for continuation of the Fair Employment Practice Committee; to the Committee on Appropriations.

5786. Also, petition of Local No. 44, U. A. W.-C. I. O., United Automobile, Aircraft, and Agricultural Implement Workers of America, petitioning consideration of their resolution

with reference to the continuance of the Fair Employment Practice Committee; to the Committee on Appropriations.

5787. Also, petition of the chairman, Central Joint Committee of the Coalition Party, San Juan, P. R., petitioning consideration of their resolution with reference to Cayetano Coll y Cuchi's speech; to the Committee on Naval Affairs.

5788. Also, petition of the executive council of the Textile Workers Union of America, petitioning consideration of their resolution with reference to the Presidential veto of the tax bill; to the Committee on Ways and Means.

5789. Also, petition of the Texas Motor Transportation Association, Inc., petitioning consideration of their resolution with reference to the relinquishment by the Federal Government of the Texas State Employment Service; to the Committee on Labor.

78TH CONGRESS
2D SESSION

H. R. 4941

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 1944

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 1 (b) of the Emergency Price Control
4 Act of 1942, as amended, is amended by striking out "June
5 30, 1944" and inserting in lieu thereof "June 30, 1945".

6 (b) Section 6 of the Stabilization Act of October 2,
7 1942, as amended, is amended by striking out "June 30,
8 1944" and inserting in lieu thereof "June 30, 1945".

9 SEC. 2. Section 2 of the Emergency Price Control Act
10 of 1942, as amended, is amended to read as follows:

1 "PRICES, RENTS, AND MARKET AND RENTING PRACTICES

2 "SEC. 2. (a) Whenever in the judgment of the Price
3 Administrator (provided for in section 201) the price or
4 prices of a commodity or commodities have risen or threaten
5 to rise to an extent or in a manner inconsistent with the
6 purposes of this Act, he may by regulation or order estab-
7 lish such maximum price or maximum prices as in his judg-
8 ment will be generally fair and equitable and will effectuate
9 the purposes of this Act. So far as practicable, in establishing
10 any maximum price, the Administrator shall ascertain and
11 give due consideration to the prices prevailing between
12 October 1 and October 15, 1941 (or if, in the case of any
13 commodity, there are no prevailing prices between such
14 dates, or the prevailing prices between such dates are not
15 generally representative because of abnormal or seasonal
16 market conditions or other cause, then to the prices prevail-
17 ing during the nearest two-week period in which, in the
18 judgment of the Administrator, the prices for such com-
19 modity are generally representative), for the commodity or
20 commodities included under such regulation or order, and
21 shall make adjustments for such relevant factors as he may
22 determine and deem to be of general applicability, including
23 the following: Speculative fluctuations, general increases or
24 decreases in costs of production, distribution, and transporta-
25 tion, and general increases or decreases in profits earned by

1 sellers of the commodity or commodities, during and subse-
2 quent to the year ended October 1, 1941: *Provided*, That
3 no such regulation or order shall contain any provision
4 requiring the determination of costs otherwise than in accord-
5 ance with established accounting methods: *Provided further*,
6 That this Act shall not be construed or interpreted in such
7 a way as to give the Administrator the right to fix profits
8 where such action has no relation to price control. Every
9 regulation or order issued under the foregoing provisions of
10 this subsection shall be accompanied by a statement of the
11 considerations involved in the issuance of such regulation
12 or order. As used in the foregoing provisions of this sub-
13 section, the term 'regulation or order' means a regulation
14 or order of general applicability and effect. Before issuing
15 any regulation or order under the foregoing provisions of
16 this subsection, the Administrator shall, so far as practicable,
17 advise and consult with representative members of the indus-
18 try which will be affected by such regulation or order, and
19 shall give consideration to their recommendations. In the
20 case of any commodity for which a maximum price has
21 been established, the Administrator shall, at the request of
22 any substantial portion of the industry subject to such maxi-
23 mum price, regulation, or order of the Administrator, ap-
24 point an industry advisory committee, or committees, either
25 national or regional or both, consisting of such number

1 of representatives of the industry as may be necessary in
2 order to constitute a committee truly representative of the
3 industry, or of the industry in such region, as the case may
4 be. The committee shall select a chairman from among
5 its members, and shall meet at the call of the chairman.
6 The Administrator shall from time to time, at the request
7 of the committee, advise and consult with the committee
8 with respect to the regulation or order, and with respect
9 to the form thereof, and classifications, differentiations, and
10 adjustment therein. The committee may make such recom-
11 mendations to the Administrator as it deems advisable, and
12 such recommendations shall be considered by the Administra-
13 tor. Whenever in the judgment of the Administrator such
14 action is necessary or proper in order to effectuate the pur-
15 poses of this Act, he may, without regard to the foregoing
16 provisions of this subsection, issue temporary regulations
17 or orders establishing as a maximum price or maximum
18 prices the price or prices prevailing with respect to any
19 commodity or commodities within five days prior to the
20 date of issuance of such temporary regulations or orders;
21 but any such temporary regulation or order shall be effec-
22 tive for not more than sixty days, and may be replaced
23 by a regulation or order issued under the foregoing provisions
24 of this subsection.

25 “(b) Whenever in the judgment of the Administrator

1 such action is necessary or proper in order to effectuate the
2 purposes of this Act, he shall issue a declaration setting forth
3 the necessity for, and recommendations with reference to, the
4 stabilization or reduction of rents for any defense-area hous-
5 ing accommodations within a particular defense-rental area.
6 If within sixty days after the issuance of any such recom-
7 mendations rents for any such accommodations within such
8 defense-rental area have not in the judgment of the Adminis-
9 trator been stabilized or reduced by State or local regulation,
10 or otherwise, in accordance with the recommendations, the
11 Administrator may by regulation or order establish such
12 maximum rent or maximum rents for such accommodations
13 as in his judgment will be generally fair and equitable and will
14 effectuate the purposes of this Act. So far as practicable, in
15 establishing any maximum rent for any defense-area housing
16 accommodations, the Administrator shall ascertain and give
17 due consideration to the rents prevailing for such accommoda-
18 tions, or comparable accommodations, on or about April 1,
19 1941 (or if, prior or subsequent to April 1, 1941, defense
20 activities shall have resulted or threatened to result in in-
21 creases in rents for housing accommodations in such area in-
22 consistent with the purposes of this Act, then on or about a
23 date (not earlier than April 1, 1940), which in the judg-
24 ment of the Administrator, does not reflect such increases),
25 and he shall make adjustments for such relevant factors as

1 he may determine and deem to be of general applicability
2 in respect of such accommodations, including increases
3 or decreases in property taxes and other costs within such
4 defense-rental area. In designating defense-rental areas,
5 in prescribing regulations and orders establishing maximum
6 rents for such accommodations, and in selecting persons to
7 administer such regulations and orders, the Administrator
8 shall, to such extent as he determines to be practicable, con-
9 sider any recommendations which may be made by State
10 and local officials concerned with housing or rental conditions
11 in any defense-rental area.

12 “(c) Any regulation or order under this section may
13 be established in such form and manner, may contain such
14 classifications and differentiations, and may provide for such
15 adjustments and reasonable exceptions, as in the judgment
16 of the Administrator are necessary or proper in order to
17 effectuate the purposes of this Act. The Administrator shall
18 provide for individual adjustments in those classes of cases
19 where the rent on the maximum rent date for any housing
20 accommodations is, due to peculiar circumstances, substan-
21 tially higher or lower than the rents generally prevailing in
22 the defense-rental area for comparable housing accommoda-
23 tions. Any regulation or order under this section which
24 establishes a maximum price or maximum rent may pro-
25 vide for a maximum price or maximum rent below the

1 price or prices prevailing for the commodity or commodities,
2 or below the rent or rents prevailing for the defense-area
3 housing accommodations, at the time of the issuance of such
4 regulation or order. Whenever the Administrator shall find
5 that the availability of adequate rental housing accommo-
6 dations and other relevant factors are such as to eliminate
7 speculative, unwarranted, and abnormal increases in rents
8 and to prevent profiteering, and speculative and other dis-
9 ruptive practices resulting from abnormal market conditions
10 caused by congestion, the controls imposed upon rents by
11 authority of this Act shall be forthwith abolished in such
12 areas theretofore designated by the Administrator as defense-
13 rental areas; but whenever in the judgment of the Adminis-
14 trator it is necessary or proper, in order to effectuate the
15 purpose of this Act, to reestablish the regulation of rents in
16 any such defense-rental area, he may forthwith by regulation
17 or order establish maximum rents for housing accommo-
18 dations in the area in accordance with the standards set forth
19 in this Act.

20 “(d) Whenever in the judgment of the Administrator
21 such action is necessary or proper in order to effectuate the
22 purposes of this Act, he may, by regulation or order, regu-
23 late or prohibit speculative or manipulative practices (includ-
24 ing practices relating to changes in form or quality) or
25 hoarding, in connection with any commodity, and speculative

1 or manipulative practices or renting or leasing practices (in-
2 cluding practices relating to recovery of the possession) in
3 connection with any defense-area housing accommodations,
4 which in his judgment are equivalent to or are likely to
5 result in price or rent increases, as the case may be, incon-
6 sistent with the purposes of this Act.

7 “(e) Whenever the Administrator determines that the
8 maximum necessary production of any commodity is not
9 being obtained or may not be obtained during the ensuing
10 year, he may, on behalf of the United States, without regard
11 to the provisions of law requiring competitive bidding, buy
12 or sell at public or private sale, or store or use, such com-
13 modity in such quantities and in such manner and upon such
14 terms and conditions as he determines to be necessary to
15 obtain the maximum necessary production thereof or other-
16 wise to supply the demand therefor, or make subsidy pay-
17 ments to domestic producers of such commodity in such
18 amounts and in such manner and upon such terms and con-
19 ditions as he determines to be necessary to obtain the max-
20 imum necessary production thereof: *Provided*, That in the
21 case of any commodity which has heretofore or may here-
22 after be defined as a strategic or critical material by the
23 President pursuant to section 5d of the Reconstruction
24 Finance Corporation Act, as amended, such determinations
25 shall be made by the Federal Loan Administrator, with the

1 approval of the President, and, notwithstanding any other
2 provision of this Act or of any existing law, such commodity
3 may be bought or sold, or stored or used, and such subsidy
4 payments to domestic producers thereof may be paid, only
5 by corporations created or organized pursuant to such sec-
6 tion 5d; except that in the case of the sale of any commodity
7 by any such corporation, the sale price therefor shall not
8 exceed any maximum price established pursuant to subsec-
9 tion (a) of this section which is applicable to such com-
10 modity at the time of sale or delivery, but such sale price
11 may be below such maximum price or below the purchase
12 price of such commodity, and the Administrator may make
13 recommendations with respect to the buying or selling, or
14 storage or use, of any such commodity: *Provided, however,*
15 That, with the exception of any commodity which prior to
16 the effective date of this amendatory proviso has been defined
17 as a strategic or critical material pursuant to section 5d of
18 the Reconstruction Finance Corporation Act, as amended, no
19 agricultural commodity or commodity manufactured or proc-
20 essed in whole or substantial part from any agricultural
21 commodity intended to be used as food for human consump-
22 tion, shall, for the purposes of this subsection, be defined as
23 a strategic or critical material pursuant to the provisions of
24 said section 5d of the Reconstruction Finance Corporation

1 Act, as amended. In any case in which a commodity is
2 domestically produced, the powers granted to the Adminis-
3 trator by this subsection shall be exercised with respect to
4 importations of such commodity only to the extent that, in
5 the judgment of the Administrator, the domestic production
6 of the commodity is not sufficient to satisfy the demand
7 therefor. Nothing in this section shall be construed to
8 modify, suspend, amend, or supersede any provision of the
9 Tariff Act of 1930, as amended, and nothing in this section,
10 or in any existing law, shall be construed to authorize any
11 sale or other disposition of any agricultural commodity con-
12 trary to the provisions of the Agricultural Adjustment Act
13 of 1938, as amended, or to authorize the Administrator to
14 prohibit trading in any agricultural commodity for future
15 delivery if such trading is subject to the provisions of the
16 Commodity Exchange Act, as amended.

17 “(f) No power conferred by this section shall be con-
18 strued to authorize any action contrary to the provisions
19 and purposes of section 3, and no agricultural commodity
20 shall be sold within the United States pursuant to the provi-
21 sions of this section by any governmental agency at a price
22 below the price limitations imposed by section 3 (a) of this
23 Act with respect to such commodity.

24 “(g) Regulations, orders, and requirements under this

1 Act may contain such provisions as the Administrator deems
2 necessary to prevent the circumvention or evasion thereof.

3 “(h) The powers granted in this section shall not be
4 used or made to operate to compel changes in the business
5 practices, cost practices or methods, or means or aids to
6 distribution, established in any industry, or changes in estab-
7 lished rental practices.

8 “(i) No maximum price shall be established for any
9 fishery commodity below the average price of such com-
10 modity in the year 1941.

11 “(j) Nothing in this Act shall be construed (1) as
12 authorizing the elimination or any restriction of the use of
13 trade and brand names; (2) as authorizing the Adminis-
14 trator to require the grade labeling of any commodity; (3)
15 as authorizing the Administrator to standardize any com-
16 modity, unless the Administrator shall determine, with re-
17 spect to such standardization, that no practicable alternative
18 exists for securing effective price control with respect to
19 such commodity; or (4) as authorizing any order of the
20 Administrator fixing maximum prices for different kinds,
21 classes, or types of a commodity which are described in
22 terms of specifications or standards, unless such specifications
23 or standards were, prior to such order, in general use in
24 the trade or industry affected, or have previously been

1 promulgated and their use lawfully required by another
2 Government agency.”

3 SEC. 3. (a) Subsection (e) of section 3 of the Emer-
4 gency Price Control Act of 1942, as amended, is
5 amended to read as follows:

6 “(e) Notwithstanding any other provision of this or any
7 other law, no action shall be taken under this Act by the
8 Administrator or any other person with respect to any agri-
9 cultural commodity without the prior approval of the Secre-
10 tary of Agriculture; except that the Administrator may take
11 such action as may be necessary under section 202 and
12 section 205 to enforce compliance with any regulation,
13 order, price schedule or other requirement with respect to
14 an agricultural commodity which has been previously ap-
15 proved by the Secretary of Agriculture.”

16 (b) Section 3 of the Emergency Price Control Act of
17 1942, as amended, is amended by adding at the end thereof
18 the following new subsection:

19 “(g) Whenever a maximum price has been established,
20 under this Act or otherwise, with respect to any fresh fruit
21 or fresh vegetable, the Administrator from time to time shall
22 adjust such maximum price in order to make appropriate
23 allowances for substantial reductions in merchantable crop
24 yields, unusual increases in costs of production, and other

1 factors which result from hazards occurring in connection
2 with the production and marketing of such commodity.”

3 SEC. 4. Section 201 of the Emergency Price Control
4 Act of 1942, as amended, is amended by adding at the
5 end thereof the following new subsection:

6 “(e) All agencies, offices, or officers of the Government
7 exercising supervisory or policy-making powers over the
8 Office of Price Administration, War Food Administration,
9 or War Production Board, whether such powers are dele-
10 gated to such agency, office, or officer by this or any other
11 Act or by Executive order, shall exercise such powers only
12 through formal written orders, or regulations which shall be
13 promptly published in the Federal Register, but shall not
14 otherwise be subject to the provisions of the Federal Register
15 Act: *Provided*, That no order or regulation shall be published
16 in accordance with the requirements of this subsection con-
17 taining information which, for reasons of military security,
18 it is not in the public interest to divulge.”

19 SEC. 5. Section 203 of the Emergency Price Control
20 Act of 1942, as amended, is amended to read as follows:

21 “PROCEDURE

22 “SEC. 203. (a) At any time after the issuance of any
23 regulation or order under section 2, or in the case of a price
24 schedule, at any time after the effective date thereof specified

1 in section 206, any person subject to any provision of such
2 regulation, order, or price schedule may, in accordance with
3 regulations to be prescribed by the Administrator, file a
4 protest specifically setting forth objections to any such pro-
5 vision and affidavits or other written evidence in support of
6 such objections. Statements in support of any such regula-
7 tion, order, or price schedule may be received and incor-
8 porated in the transcript of the proceedings at such times
9 and in accordance with such regulations as may be prescribed
10 by the Administrator. Within a reasonable time after the
11 filing of any protest under this subsection, but in no event
12 more than thirty days after such filing, the Administrator
13 shall either grant or deny such protest in whole or in part,
14 notice such protest for hearing, or provide an opportunity to
15 present further evidence in connection therewith. In the
16 event that the Administrator denies any such protest in
17 whole or in part, he shall inform the protestant of the grounds
18 upon which such decision is based, and of any economic data
19 and other facts of which the Administrator has taken official
20 notice.

21 “(b) In the administration of this Act the Administra-
22 tor may take official notice of economic data and other facts,
23 including facts found by him as a result of action taken under
24 section 202.

25 “(c) Any proceedings under this section may be lim-

1 ited by the Administrator to the filing of affidavits, or other
2 written evidence, and the filing of briefs: *Provided, however,*
3 That, upon the request of the protestant, any protest filed in
4 accordance with subsection (a) of this section, after Sep-
5 tember 1, 1944, shall, before denial in whole or in part,
6 be considered by a board of review consisting of one or more
7 officers or employees of the Office of Price Administration
8 designated by the Administrator in accordance with regula-
9 tions to be promulgated by him. The Administrator shall
10 cause to be presented to the board such evidence, including
11 economic data, in the form of affidavits or otherwise, as he
12 deems appropriate in support of the provision against which
13 the protest is filed. The protestant shall be accorded an op-
14 portunity to present rebuttal evidence in writing and oral
15 argument before the board and the board shall make written
16 recommendations to the Price Administrator. The protestant
17 shall be informed of the recommendations of the board and,
18 in the event that the Administrator rejects such recommenda-
19 tions in whole or in part, shall be informed of the reasons
20 for such rejection.

21 “(d) Any protest filed under this section shall be
22 granted or denied by the Administrator, or granted in part
23 and the remainder of it denied, within a reasonable time
24 after it is filed. Any protestant who is aggrieved by undue
25 delay on the part of the Administrator in disposing of his

1 protest may petition the Emergency Court of Appeals,
2 created pursuant to section 240, for relief; and such court
3 shall have jurisdiction by appropriate order to require the
4 Administrator to dispose of such protest within such time
5 as may be fixed by the court. If the Administrator does
6 not act finally within the time fixed by the court, the protest
7 shall be deemed to be denied at the expiration of that period."

8 SEC. 6. Section 204 of the Emergency Price Control
9 Act of 1942, as amended, is amended by adding at the
10 end thereof the following new subsection:

11 “(e) (1) At any time prior to or within five days after
12 judgment in any proceeding brought pursuant to section 205
13 involving alleged violation of any provision of any regula-
14 tion or order issued under section 2 or of any price schedule
15 effective in accordance with the provisions of section 206, the
16 defendant may apply to the court in which the proceeding
17 is pending for leave to file in the Emergency Court of Appeals
18 a complaint against the Administrator setting forth objections
19 to the validity of any provision which the defendant is alleged
20 to have violated. The court in which the proceeding is pend-
21 ing shall grant such leave with respect to any objection which
22 it finds is made in good faith and with respect to which it
23 finds there is reasonable and substantial excuse for the de-
24 fendant's failure to present such objection in a protest filed
25 in accordance with section 203 (a). Upon the filing of a

1 complaint pursuant to and within thirty days from the grant-
2 ing of such leave, the Emergency Court of Appeals shall
3 have jurisdiction to enjoin or set aside in whole or in part
4 the provision of the regulation, order, or price schedule com-
5 plained of or to dismiss the complaint. The court may
6 authorize the introduction of evidence, either to the Adminis-
7 trator or directly to the court, in accordance with subsection
8 (a) of this section. The provisions of subsections (b), (c),
9 and (d) of this section shall be applicable with respect to any
10 proceeding instituted in accordance with this subsection.

11 “(2) In any proceeding brought pursuant to section
12 205 involving an alleged violation of any provision of any
13 such regulation, order or price schedule, the court shall stay
14 the proceeding—

15 “(i) during the period within which a complaint
16 may be filed in the Emergency Court of Appeals pur-
17 suant to leave granted under paragraph (1) of this
18 subsection with respect to such provisions;

19 “(ii) during the pendency of any protest properly
20 filed by the defendant under section 203 prior to the
21 institution of the proceeding under section 205, setting
22 forth objections to the validity of such provision which
23 the court finds to have been made in good faith; and

24 “(iii) during the pendency of any judicial proceed-
25 ing instituted by the defendant under this section with

1 respect to such protest or instituted by the defendant
2 under paragraph (1) of this subsection with respect
3 to such provision, and until the expiration of the time
4 allowed in this section for the taking of further proceed-
5 ings with respect thereto.

6 Notwithstanding the provisions of this paragraph, in the case
7 of a proceeding under section 205 (a) the court granting
8 a stay under this paragraph may issue a temporary injunc-
9 tion or restraining order enjoining or restraining, during
10 the period of the stay, violations by the defendant of the pro-
11 vision of the regulation, order, or price schedule involved. If
12 any provision of a regulation, order, or price schedule is
13 determined to be invalid by judgment of the Emergency
14 Court of Appeals which has become effective in accordance
15 with section 204 (b), any proceeding pending in any court
16 shall be dismissed, and any judgment in such proceeding
17 vacated, to the extent that such proceeding or judgment is
18 based upon violation of such provision. Except as provided
19 in this subsection, the pendency of any protest under section
20 203, or judicial proceeding under this section, shall not be
21 grounds for staying any proceeding brought pursuant to
22 section 205."

23 SEC. 7. (a) Subsection (e) of section 205 of the Emer-
24 gency Price Control Act of 1942, as amended, is amended
25 to read as follows:

1 “(e) If any person selling a commodity violates a
2 regulation, order, or price schedule prescribing a maximum
3 price or maximum prices, the person who buys such com-
4 modity for use or consumption other than in the course of
5 trade or business may, within one year from the date of
6 the occurrence of the violation except as hereinafter pro-
7 vided, bring an action against the seller on account of the
8 overcharge. In such action, the seller shall be liable for
9 reasonable attorney’s fees and costs as determined by the
10 court, plus whichever of the following sums is the greater:
11 (1) Such amount not less than one and one-half times and
12 not more than three times the amount of the overcharge, or
13 the overcharges, upon which the action is based as the court
14 in its discretion may determine, or (2) \$50. For the pur-
15 poses of this section the payment or receipt of rent for
16 defense-area housing accommodations shall be deemed the
17 buying or selling of a commodity, as the case may be; and
18 the word ‘overcharge’ shall mean the amount by which the
19 consideration exceeds the applicable maximum price. If
20 any person selling a commodity violates a regulation, order,
21 or price schedule prescribing a maximum price or maximum
22 prices, and the buyer either fails to institute an action under
23 this subsection within thirty days from the date of the occur-
24 rence of the violation or is not entitled for any reason to
25 bring the action, the Administrator may institute such action

1 on behalf of the United States within such one year period.
2 If such action is instituted by the Administrator, the buyer
3 shall thereafter be barred from bringing an action for the
4 same violation or violations. Any action under this sub-
5 section by either the buyer or the Administrator, as the case
6 may be, may be brought in any court of competent juris-
7 diction. A judgment in an action for damages under this
8 subsection shall be a bar to the recovery under this subsec-
9 tion of any damages in any other action against the same
10 seller on account of sales made to the same purchaser prior
11 to the institution of the action in which such judgment was
12 rendered.

13 (b) The amendment made by subsection (a), insofar
14 as it relates to actions by buyers or actions which may be
15 brought by the Administrator only after the buyer has failed
16 to institute an action within thirty days from the occurrence
17 of the violation, shall be applicable only with respect to vio-
18 lations occurring after the date of enactment of this Act.
19 In other cases, such amendment shall be applicable with re-
20 spect to proceedings pending on the date of enactment of
21 this Act and with respect to proceedings instituted thereafter.

22 SEC. 8. The second sentence of the first section of the
23 Stabilization Act of October 2, 1942, as amended, is amended
24 to read as follows: "The President shall, except as other-
25 wise provided in this Act, thereafter provide for making

1 adjustments with respect to prices, wages, and salaries, to
2 the extent that he finds necessary to aid in the effective pro-
3 secution of the war or to correct gross inequities: *Provided*,
4 That no common carrier or other public utility shall make
5 any general increase in its rates or charges which were in
6 effect on September 15, 1942, unless it first gives thirty
7 days notice to the President, or such agency as he may desig-
8 nate, and consents to the timely intervention by such agency
9 before the Federal, State, or municipal authority having
10 jurisdiction to consider such increase."

11 SEC. 9. The first proviso contained in section 3 of such
12 Act of October 2, 1942, as amended, is amended to read
13 as follows: "*Provided*, That the President shall, without
14 regard to the limitation contained in clause (2), adjust
15 any such maximum price to the extent that he finds neces-
16 sary to correct gross inequities; but nothing in this section
17 shall be construed to permit the establishment in any case
18 of a maximum price below a price which will reflect to the
19 producers of any agricultural commodity the price therefor
20 specified in clause (1) of this section:".

21 SEC. 10. Section 4 of such Act of October 2, 1942,
22 as amended, is amended by adding at the end thereof the
23 following new paragraph:

24 "In any dispute between employees and carriers subject
25 to the Railway Labor Act, as amended, as to changes af-

1 fecting wage or salary payments, the procedures of such Act
2 shall be followed for the purpose of bringing about a settle-
3 ment of such dispute. Any agency provided for by such
4 Act, as a prerequisite to effecting or recommending a settle-
5 ment of any such dispute, shall make a specific finding and
6 certification that the changes proposed by such settlement or
7 recommended settlement are consistent with such standards as
8 may be then in effect, established by or pursuant to law, for
9 the purpose of controlling inflationary tendencies. Where
10 such finding and certification are made by such agency, they
11 shall be conclusive, and it shall be lawful for the employees
12 and carriers, by agreement, to put into effect the changes
13 proposed by the settlement or recommended settlement with
14 respect to which such finding and certification were made.”

15 SEC. 11. Such Act of October 2, 1942, as amended, is
16 amended by inserting at the end thereof the following new
17 section:

18 “SEC. 12. The Committee on Banking and Currency
19 of the Senate and the Committee on Banking and Currency
20 of the House of Representatives, respectively, are author-
21 ized to conduct investigations as to the effectiveness of the
22 stabilization activities carried on pursuant to this Act, the
23 Emergency Price Control Act of 1942, or otherwise, and
24 as to the effect of such activities upon industry, production,
25 renting and housing, and distribution. For such purposes,

1 either such Committee, acting as a whole or by subcommittee,
2 may sit and act at such times, whether or not the Senate
3 or House is sitting, has recessed, or has adjourned, hold such
4 hearings, require by subpoena, or otherwise, the attendance of
5 such witnesses and the production of such books, papers, and
6 documents, and take such testimony, as it deems necessary.
7 Subpena may be issued under the signature of the chairman
8 of either such Committee or of any member designated by
9 him, and may be served by any person designated by such
10 chairman or member. Such Committees, respectively, shall
11 report from time to time to the Senate and House of Repre-
12 sentatives the results of such investigations, together with
13 such recommendations as such Committees deem advisable.”

14 SEC. 12. Such Act of October 2, 1942, as amended, is
15 amended by inserting after the section added thereto by the
16 foregoing section of this Act, a new section as follows:

17 “SEC. 13. This Act may be cited as the ‘Stabilization
18 Act of 1942’.”

78TH CONGRESS
2^D Session

H. R. 4941

A BILL

To extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes.

By Mr. SPENCE

JUNE 2, 1944

Referred to the Committee on Banking and Currency

CONFIDENTIAL

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United States
of America

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PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, SATURDAY, JUNE 3, 1944

No. 101

Senate

The Senate was not in session today. Its next meeting will be held on Monday, June 5, 1944, at 12 o'clock meridian.

House of Representatives

SATURDAY, JUNE 3, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of all righteousness and mercy, breathe upon us the spirit of brotherhood and cooperation, that we may deal worthily with one another and with our fellow men. Lift before us a goal that will challenge the labors that we put forth; endowed with a stimulating urgency that steadily draws us on to fair judgment, may we not allow narrow vision and self-will to obscure the truth which must be mightily stressed and livingly vindicated.

With penitent and contrite hearts, we pray that we may seek the One over whose crushed spirit all the waves of grief have surged and whose infinite sympathy has led earth's millions to sing with choked and trembling voices. With countless tragedies overshadowing humanity, the superficial and the heedless mock and cause the thoughtful citizen to meditate most seriously in the presence of these grave contradictions. Heavenly Father, in our expectancy, allow nothing to stagger and shatter our faith; through the ages Thy mercy has been over Thy children; do Thou continue to "uphold us, cherish and have power to make our noisy years seem moments in the being of eternal silence." Through Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

SUGAR FOR CANNING

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. BOLTON. Mr. Speaker, the canning season is at hand, and the women are becoming very disturbed over information they have received from Washington that there is difficulty in the sugar-rationing program. There seems to have been mismanagement, and it is understood that it will be difficult to can fruits as they come into season.

According to an article by Charles Lucey with a Washington date line of May 31, the Government's subsidy program was so inadequate that the 1943 beet-sugar output fell 40 percent. This incentive program was not announced until February 1943, after California sugar beets had been planted. In 1944 it was announced January 26—and \$3 extra a ton offered. Puerto Rican production has slipped another 700,000 tons. Cuba will help this year at the cost of a loss next year of 500,000 tons or more. Next winter's food is on the housewife's mind. She faces her canning season. Will she have the sugar she needs?

The SPEAKER. The time of the gentleman from Ohio has expired.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL 1945

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. KIRWAN,

Mr. NORRELL, Mr. CARTER, Mr. JONES, and Mr. JENSEN.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include therein a letter which I addressed to a constituent.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

PROTESTING AGAINST TWO NEW O. P. A. REGULATIONS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection? There was no objection.

[Mr. LUTHER A. JOHNSON addressed the House. His remarks appears in the Appendix of today's RECORD.]

G. I. BILL OF RIGHTS

Mr. GORE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection? There was no objection.

Mr. GORE. Mr. Speaker, I rise to express the hope that the conferees on the part of the House and conferees on the part of the other body will conclude their conference and that we can finally dispose of the veterans' legislation, known as the G. I. bill of rights, before the coming recess for the national conventions.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield to the distinguished gentleman from Mississippi, chairman of the committee.

Mr. RANKIN. The Senator from Missouri [Mr. CLARK], who is chairman of the conference, was called home suddenly. I understand he will return Monday. We expect to resume our conferences early in the week, and it is my hope, and the hope of all the House conferees, and I am sure of the Senate conferees as well, that we may complete our work and get the bill disposed of before the end of the week.

Mr. GORE. I thank the gentleman. That is very encouraging, because we should not longer delay final passage of this bill.

The SPEAKER. The time of the gentleman from Tennessee has expired.

PRICE CONTROL AND STABILIZATION ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file the reported bill and the report on H. R. 4941, a bill to continue the period of operation of the Price Control and Stabilization Act.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

ONE HUNDRED AND THIRTY-SIXTH ANNIVERSARY OF THE BIRTH OF JEFFERSON DAVIS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, this is Confederate Memorial Day. This is the one hundred and thirty-sixth anniversary of the birth of Jefferson Davis, the President of the Confederacy.

I am sending to the Speaker's desk a resolution (H. Res. 580), and I ask for its immediate consideration.

The Clerk read as follows:

Whereas today, June 3, is Confederate Memorial Day, being the one hundred and thirty-sixth anniversary of the birth of Jefferson Davis, President of the Confederacy; and

Whereas Gen. Julius Franklin Howell, former commander in chief of the Confederate Veterans, who has reached the ripe age of 98 years, is to address the Daughters of the Confederacy in Statuary Hall at 3 o'clock this afternoon; and

Whereas General Howell will probably be the last veteran of the War between the States, on either side, to visit this Capitol; Therefore be it

Resolved, That the House of Representatives, out of respect for the Confederate Veterans and the Daughters of the Confederacy, stand in recess for 20 minutes at such time as the Speaker may designate, and that General Howell be invited to appear and address the Members of this body at that time, and that the Daughters of the Confederacy and all others who attend the ceremonies in Statuary Hall be invited to accompany him; and

That a committee of three Members be appointed by the Speaker to present the invitation to General Howell and conduct him to the House.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FOGARTY, Mr. HOLIFIELD, Mr. MILLER of Nebraska, Mr. WHITE, and Mr. HOFFMAN asked and were given permission to revise and extend their own remarks.

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in three particulars, in one to include a request from the Louisiana Legislature for Federal aid for certain necessary roads, in a second to include an article from the Washington Post, and in the third to include an article, Good News for the Sugarcane Growers of Louisiana, that appeared in Collier's magazine on May 20.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an address by Judge Perry O. Chamberlin, of Indianapolis.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BENNETT of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and include a letter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WEICHEL of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an editorial and two letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include an article from the Pathfinder magazine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

THE LATE FRANK P. BOHN

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. Mr. Speaker, I asked for this time in order that I might pay my tribute to the life and character of former Representative Frank P. Bohn, of Newberry, Mich. I join my colleague the gentleman from Michigan [Mr. BRADLEY], a very able successor, in all that he has said concerning Dr. Bohn.

I was a Member of Congress when Dr. Bohn came here. He served with us for several terms and was always a potent influence in the Congress. He was not spectacular but real. His people trusted him. He was honored because he was honest. While he always entertained the national viewpoint in the forming of national legislation, yet he was ever watchful of the interest of his own State and his own congressional district. The Eleventh Congressional District of Michigan was well represented when Dr. Bohn was its hired man in Washington. I am sure I express the sentiment of all those Members with whom he served when I say that the world is better because Frank P. Bohn lived in it. We sorrow with the bereaved family.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the Record and include therein a petition from my constituents calling attention to unreasonable O. P. A. regulations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION OF RECORD

Mr. PACE. Mr. Speaker, in a speech delivered on the floor on Tuesday, May 23, as published in the Appendix of the CONGRESSIONAL RECORD on June 1, pages A2891 and A2892, in line 37 on page A2892 the language reads as follows:

Then 12 percent of that or \$120,000.

It should read:

Then, 12 percent of that or \$120,000,000.

The SPEAKER. Without objection, the permanent Record may be corrected. There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to correct the Record. Day before yesterday, answering my colleague the gentleman from Illinois [Mr. CHURCH], the claim was made that \$1,000 was contributed to a certain campaign. Inadvertently I increased it by \$500. I am told it was only a thousand. I want to correct the Record and at the same time state that that was 6 years ago.

The SPEAKER. Without objection, the correction may be made.

There was no objection.

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include an editorial from the San Francisco Call Bulletin with reference to the American merchant marine.

PERMISSION TO ADDRESS THE HOUSE

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that on Tuesday next, after disposition of business on the Speaker's table and after any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, on behalf of the gentleman from Vermont [Mr. PLUMLEY] I ask unanimous consent that he may be permitted to extend his own remarks in the record and to include therein two editorials.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CASE. Mr. Speaker, I ask unanimous consent that I may place in the extension of my remarks made in the Committee of the Whole a letter from which I read certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two tables from the United States Department of Agriculture?

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. MURRAY]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a short article on the shortage of farm implements, and also to include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. GILLIE]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a speech by Senator Clarence Becker, of Lebanon, Pa., on the Pennsylvania military balloting law; and I also ask unanimous consent to extend my own remarks in the RECORD and to include therein an article appearing in the United States News about the re-employment policy of the Selective Service for returning veterans.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. KUNKEL]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. O'KONSKI]?

There was no objection.

[The matter referred to appears in the Appendix.]

RESIGNATION AS CONFERE

The SPEAKER laid before the House the following communication, which was read:

JUNE 3, 1944.

The SPEAKER,
House of Representatives, United States,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a conferee on the bill H. R. 4464, the so-called debt limit bill.

Respectfully,

DANIEL A. REED.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Minnesota [Mr. KNUTSON] as a conferee, and the Clerk will notify the gentleman accordingly.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCOTT (at the request of Mr. CANFIELD), for 1 day, on account of illness.

To Mrs. ROGERS of Massachusetts (at the request of Mr. MARTIN of Massachusetts), for 1 day, on account of illness of a relative.

To Mr. MAGNUSON, indefinitely, on account of official business for Naval Affairs Committee.

ENROLLED BILL SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2085. An act to provide for the disposition of tribal funds of the Minnesota Chippewa Tribe of Indians.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.) the House adjourned until Monday, June 5, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, June 6, 1944)

There will be a meeting of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, June 6, 1944, to begin public hearings on bills extending the Civilian Pilot Training Act.

SELECT COMMITTEE TO INVESTIGATE MONTGOMERY WARD & CO. SEIZURE

(Tuesday, June 6, 1944)

The Select Committee to Investigate the seizure of Montgomery Ward & Co. will hold a public hearing Tuesday, June 6, 1944 at 10 o'clock a. m. in the Ways and Means Committee hearing room, New House Office Building. Mr. Sewell Avery, chairman of the board of directors of Montgomery Ward & Co., will be a witness.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Tuesday, June 13, 1944)

The Committee on the Merchant Marine and Fisheries will continue its consideration of H. R. 4486, relative to the post-war disposition of merchant vessels, on Tuesday, June 13, 1944, at 10 a. m.

Persons desiring to be heard should notify the clerk of the committee in writing as soon as possible.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred, as follows:

1607. A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriations for the Department of the Interior, for 1945 and prior fiscal years, amounting to \$203,567.18 (H. Doc. No. 638); to the Committee on Appropriations and ordered to be printed.

1608. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Security Agency, for the fiscal year 1944, amounting to \$11,000 (H. Doc. No. 639); to the Committee on Appropriations and ordered to be printed.

1609. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy; to the Committee on Naval Affairs.

1610. A letter from the President of the Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H. R. 4941. A bill to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes; without amendment (Rept. No. 1593). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITE:

H. R. 4947. A bill to provide for the settle-

ment of war veterans, war workers, and others on the Central Valley project, for encouragement of the development of the project in family size units, for cooperation by Federal, State, and private organizations to these ends, and for other purposes; to the Committee on Irrigation and Reclamation.

H. R. 4948. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands; to the Committee on Irrigation and Reclamation.

By Mr. LANE:

H. Res. 581. Resolution to provide for the temporary admission of political or religious refugees of continental Europe into areas within the United States to be known as free ports for refugees; to the Committee on Immigration and Naturalization.

EXTENDING THE EMERGENCY PRICE CONTROL ACT OF 1942

JUNE 3, 1944.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 4941]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The immediate need for this proposed legislation arises from the fact that both the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, according to the terms of present law, will expire on June 30, 1944, or such earlier date as may be prescribed by proclamation of the President or by concurrent resolution of the Congress.

The committee considers it is essential that these two acts continue in force, and the bill here reported provides for continuance of their operation for a period of 1 year, this extension of time being subject to the provision contained in present law as to the authority of the President by proclamation, or the Congress by concurrent resolution, to terminate their operation at any prior date. By limiting the extension to 1 year, the committee is not expressing the view that the continuance of the stabilization program after the expiration of that time will not be necessary. During the year of continued operation the Congress will have an opportunity to review the program and study its operation and effects, and will be in a position to determine the extent to which further continuance after June 30, 1945, may be necessary.

authorized to reestablish the regulation of rents in any defense area whenever in his judgment such action is necessary or proper in order to effectuate the purposes of the act.

8. Section 2 (e) of the Emergency Price Control Act of 1942 authorizes the Administrator, upon the making by him of certain determinations, to buy or sell commodities, or to store or use commodities, or to make subsidy payments to domestic producers. This subsection contains a proviso, however, that in the case of any commodity which has been or may be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, the determinations which would otherwise be made by the Price Administrator under the subsection shall be made by the Federal Loan Administrator, with the approval of the President, and that such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d. Certain restricting provisions are also included with respect to the operations of such corporations.

The bill inserts after the provisions above referred to a proviso reading as follows:

Provided, however, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended.

9. Section 2 (h) of the Emergency Price Control Act of 1942 now reads as follows:

(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

The bill amends this subsection by striking out the words "except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act." The bill further amends this subsection by inserting after the words "established in any industry" a comma and the words "or changes in established rental practices."

SECTION 3

Subsection (a) of this section of the bill makes a clarifying amendment in section 3 (e) of the Emergency Price Control Act of 1942. That section now provides that no action shall be taken by the Administrator with respect to any agricultural commodity without prior approval of the Secretary of Agriculture; except that the Administrator may, without such approval, take such action as may be necessary under section 202 and section 205 (a) and (b) to enforce compliance with any regulations, order, price schedule, or requirement with respect to a commodity which has been previously approved by the Secretary. The effect of this is that the Administrator does not have to obtain the approval of the Secretary of Agriculture to institute, under sections 205 (a) or (b), injunction or criminal proceedings for enforcement purposes. The question has arisen,

however, as to whether enforcement action taken under other subsections of section 205 requires prior approval by the Secretary of Agriculture. The Committee believes it should be made clear that such approval is not required in any such case. The bill provides for striking out "(a) and (b)" after "section 205," to effectuate this purpose.

Subsection (b) of this section of the bill amends section 3 of the Emergency Price Control Act of 1942 by adding at the end thereof a new subsection as follows:

(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.

SECTION 4

This section provides for adding to section 201 of the Emergency Price Control Act of 1942 a new subsection to require that all agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, shall exercise such powers only through formal written orders or regulations, which shall be promptly published in the Federal Register. This requirement, however, is subject to the exception that no such order or regulation shall be so published if it contains information which, for reasons of military security, it is not in the public interest to divulge.

SECTION 5

This section rewrites section 203 of the Emergency Price Control Act of 1942. As it is rewritten, the following changes are made from existing law:

1. The present section 203 (a) provides that within a period of 60 days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within 60 days after the effective date thereof), any person subject to any provision thereof may file a protest setting forth objections to such provision. The bill strikes out the 60-day limitation, so that a protest may be filed at any time. This right to file a protest at any time will apply in case of regulations, orders, or price schedules issued prior to the enactment of the present legislation or thereafter. The second sentence of section 203 (a) has been omitted as no longer being necessary in view of the change above referred to.

2. The present section 203 (a) provides that within a reasonable time after the filing of a protest, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order (or, in the case of a price schedule, 90 days after the effective date thereof) in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny the protest in whole or in part, notice the protest for hearing, or provide an opportunity to present further evidence in connection therewith. The bill modifies this provision by striking out the words referring to the period of 90 days so that, as modified, it will in every case require the Adminis-

trator to take the action referred to not more than 30 days after the filing of the protest.

3. Under the present section 203 (c) the Administrator may limit any proceeding under the section to the filing of affidavits, or other written evidence, and the filing of briefs. By an amendment made by the bill this provision is made subject to the exception that upon request of the protestant, any protest filed after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. It is provided that the Administrator shall cause to be presented to the board such evidence in the form of affidavits or otherwise as he shall deem appropriate in support of the provision against which the protest is filed. The protestant is to be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board, and the board is required to make written recommendations to the Administrator. The protestant is to be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, must be informed of the reasons for such rejection.

4. The bill adds a new subsection (d) to section 203, providing that any protest filed under the section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by any undue delay in the disposition of his protest may petition the Emergency Court of Appeals for relief, and the Court is empowered to require the Administrator to dispose of the protest within a time to be fixed by the Court. If the Administrator does not act finally within the time fixed, the protest is to be deemed to have been denied at the expiration of that period.

SECTION 6

This section adds a new subsection (e) to section 204 of the Emergency Price Control Act of 1942.

Under the act at the present time, the defendant in an enforcement proceeding brought under section 205, whether criminal or civil, may not in that proceeding challenge any regulation or order issued under section 2, or any price schedule, on the ground of its invalidity. This is so because of the provisions of section 204 which confer upon the Emergency Court of Appeals, and upon the Supreme Court on review of judgments and orders of the Emergency Court of Appeals exclusive jurisdiction to determine the validity of any such regulation, order, or price schedule. The only situation in which the Emergency Court of Appeals may determine the validity of such a regulation, order, or price schedule is where the protest procedure has been followed, the protest has been denied by the Administrator, and a complaint has been duly filed in such court. While the constitutionality of the exclusive jurisdiction provisions of the statute has been upheld by the Supreme Court (*Yakus v. United States*), the committee is of the opinion that these provisions should be relaxed to the fullest extent consistent with the effective administration and enforcement of the act. With this objective in mind the proposed new subsection (e) has been added to section 204.

Paragraph (1) of the new subsection (e) provides that at any time prior or within 5 days after judgment in any proceeding brought pursuant to section 205 (and this includes a criminal proceeding, an injunction proceeding, an action for damages, and a proceeding for suspension of a license), involving alleged violation of any provision of any regulation or order under section 2, or any price schedule, the defendant may apply to the court for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of the provision which the defendant is alleged to have violated. The court is directed to grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed under section 203 (a). Where such leave is granted the complaint may be filed in the Emergency Court of Appeals within 30 days, and the Emergency Court of Appeals is given jurisdiction to enjoin or set aside the provision in question or dismiss the complaint. Further evidence may be taken either before the court or the Administrator.

Paragraph (2) of the new subsection (e) provides for a stay of the proceedings in the lower court during the period within which the complaint filed in the Emergency Court of Appeals, and during the pendency of the case if the complaint is filed.

Such paragraph (2) also provides for a stay of the proceedings in the case of an enforcement action brought under section 205 in any case where the defendant, though not availing himself of the procedure provided for in paragraph (1) of the new subsection (e), has prior to the institution of the enforcement proceeding filed a protest under section 203 (a) setting forth objections to the validity of the provision of the regulation, order, or price schedule involved. The lower court is directed in such a case to grant a stay if it finds that the objections set forth in the protest proceeding were made in good faith.

The provisions of paragraph (2), relating to stay of proceedings, are subject to the exception that if the enforcement proceeding is for an injunction, under section 205 (a), the court in which such proceeding is instituted may issue a temporary injunction or restraining order effective during the period of the stay.

Paragraph (2) of such subsection (e) provides that if any provision of a regulation, order, or price schedule, is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of the provision which has been held to be invalid.

It is believed that the provisions of this new subsection (e) will afford defendants in enforcement proceedings fair and adequate opportunity to contest the validity of such regulations, orders, and price schedules; and, through providing for the channeling of such cases involving alleged invalidity to the Emergency Court of Appeals for determination, will avoid the undesirable consequences which would flow from conflicting decisions were the question of invalidity to be determined by the Federal district courts and State courts.

SECTION 7

Subsection (a) of this section of the bill rewrites subsection (e) of section 205 of the Emergency Price Control Act of 1942, the so-called treble damage provision.

This subsection now provides for bringing actions for damages against sellers of commodities or landlords on account of overcharges in violation of the applicable maximum price or maximum rent. In the case of the sale of commodities for use or consumption other than in the course of trade or business, and in the case of rents, the action may be brought only by the person who buys the commodity or pays the rent. In other cases the buyer is not entitled to bring suit, and suit may be brought by the Price Administrator on behalf of the United States. The amount for which the person making the overcharge is liable in an action under this subsection is either \$50 or treble the amount of the overcharge, whichever is the greater. Thus, if there is a series of overcharges, the purchaser is entitled to recover at least \$50 for each such overcharge. For example, if a roomer who pays his rent by the day is overcharged 50 cents a day for 10 days, he is entitled under the present provision to recover \$500 from his landlord even though the aggregate amount of the overcharges is only \$5.

The bill modifies the present provision with respect to the amount of damages which may be recovered under this subsection. With respect to the \$50 minimum, it is provided that the purchaser may recover only one amount of \$50 for all of the overcharges which he has paid to a given seller prior to the bringing of the suit. The treble-damage provision is changed to provide that the court may use its discretion so as to fix the damages within the range between one and one-half and three times the amount of the overcharge or overcharges upon which the action is based, subject, of course, to the \$50 minimum, which would be applicable in any case.

The bill further amends this subsection so as to authorize the Administrator to bring a suit for damages on behalf of the United States in those situations where the present statute authorizes suits only by the consumer, if the consumer does not bring an action within 30 days after the violation. If the Administrator institutes such an action, suit by the consumer will then be barred. As in the case of consumers, such suits may be brought in either Federal or State courts.

Subsection (b) of this section of the bill provides that the amendment made by subsection (a), insofar as it relates to actions by buyers or actions which may be brought by the Administrator after the buyer has failed to institute an action, shall be applicable only with respect to violations occurring after the date of enactment of the legislation here proposed. In other cases the amendment is to be applicable with respect to proceedings pending on the date of enactment and with respect to proceedings instituted thereafter.

SECTION 8

This section amends the second sentence of the first section of the Stabilization Act of October 2, 1942. That sentence now provides in part that "the President may, except as otherwise provided in this act," provide for making adjustments with respect to prices, wages,

and salaries to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities. This section of the bill amends the sentence so as to strike out the word "may" where it appears after the word "President" and insert in lieu thereof "shall."

SECTION 9

This section amends the first proviso contained in section 3 of the Stabilization Act of October 2, 1942. Such section 3 contains provisions imposing limitations with respect to the establishment or maintenance of maximum prices for agricultural commodities. These provisions are followed by a proviso as follows:

Provided, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section.

The amendment made by this section of the bill is to strike out "may" where it appears after the word "President" and insert in lieu thereof "shall".

SECTION 10

This section of the bill amends section 4 of the Stabilization Act of October 2, 1942, by adding thereto a new paragraph providing that in any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedure of the Railway Labor Act shall be followed for the purpose of bringing about a settlement of such dispute. The new paragraph requires that any agency provided for by the Railway Labor Act, as a prerequisite to effecting or recommending a settlement of the dispute, shall make a specific finding and certification that the changes proposed by the settlement or recommended settlement are consistent with the standards then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency they are to be conclusive, and it will be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which the finding and certification have been made.

The procedures of the Railway Labor Act, which have been in effect for many years, have furnished an admirable and effective method for the settlement of disputes and for the maintenance of a rational wage structure in the railway industry. There has not been established, in the case of any other industry, any machinery comparable to that established by the Railway Labor Act for the handling of the problems arising in railway wage disputes. The agencies established by the Railway Labor Act are competent and impartial agencies, thoroughly familiar with the problems and issues involved in the disputes that come before them. It is believed that such agencies are highly qualified to make determinations as to the wages which carriers, in connection with the settling of disputes, should be permitted to pay their employees. Under this paragraph a settlement could be carried out only after a finding, by the agency set up under the Railway

Labor Act, that such settlement is consistent with the proper operation of the stabilization program. It is believed that these agencies may be safely entrusted with the responsibility of deciding that question in this particular field of wage disputes.

SECTION 11

This section adds to the Stabilization Act of October 2, 1942, a new section authorizing the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House, respectively, to conduct investigations as to the effectiveness of the stabilization activities carried on pursuant to the various provisions of law enacted by Congress, and as to the effect of such activities upon industry, production, renting, and housing, and distribution. The section grants to such committees authority with respect to compelling the attendance and testimony of witnesses, the holding of hearings, and other necessary procedural authority.

SECTION 12

This section amends the Stabilization Act of October 2, 1942, by adding thereto a new section which provides that such act may be cited as the "Stabilization Act of 1942." This provision does not, of course, make any substantive change in the law, but merely provides for giving to the act a short title by which it may be conveniently cited.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 421—77TH CONGRESS]

[CHAPTER 26—2D SESSION]

[H. R. 5990]

AN ACT

To further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS AND AUTHORITY

PURPOSES; TIME LIMIT; APPLICABILITY

SECTION 1. (a) It is hereby declared to be in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this Act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to assure that defense appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities, and pensions from undue impairment of their standard of

living; to prevent hardships, to persons engaged in business, to schools, universities, and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; to prevent a post emergency collapse of values; to stabilize agricultural prices in the manner provided in section 3; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction, to work toward a stabilization of prices, fair and equitable wages, and cost of production.

(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on **June 30, 1944** *June 30, 1945*, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

PRICES, RENTS, AND MARKET AND RENTING PRACTICES

SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941 : *Provided, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods: Provided further, That this Act shall not be construed or interpreted in such a way as to give the Administrator the right to fix profits where such action has no relation to price control.* Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry,

or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, *and such recommendations shall be considered by the Administrator.* Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs *within such defense-rental area.* In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. *The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations.* Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order. *Whenever the Administrator shall find that the availability of adequate rental housing accommodations and other relevant factors are such as to eliminate speculative, unwarranted, and abnormal increases in rents and to prevent profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act shall be forthwith abolished in such areas theretofore designated by the Administrator as defense-rental areas; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area, he may forthwith by regulation or order establish maximum rents for housing accommodations in the area in accordance with the standards set forth in this Act.*

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended.* In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, [except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act] or changes in established rental practices.

(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

AGRICULTURAL COMMODITIES

SEC. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 per centum of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), 110 per centum of such comparable price, adjusted in the same manner, in lieu of 110 per centum of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919, to June 30, 1929.

(b) For the purposes of this Act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a).

(d) Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act.

(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 [(a) and (b)] to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.

(f) No provision of this Act or of any existing law shall be construed to authorize any action contrary to the provisions and purposes of this section.

(g) *Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.*

PROHIBITIONS

SEC. 4. (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or to demand or receive any rent for any defense-area housing accommodations, or otherwise to do or omit to do any act, in violation of any

regulation or order under section 2, or of any price schedule effective in accordance with the provisions of section 206, or of any regulation, order, or requirement under section 202 (b) or section 205 (f), or to offer, solicit, attempt, or agree to do any of the foregoing.

(b) It shall be unlawful for any person to remove or attempt to remove from any defense-area housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this Act or any regulation, order, or requirement thereunder.

(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Administrator in his official capacity, to disclose, otherwise than in the course of official duty, any information obtained under this Act, or to use any such information, for personal benefit.

(d) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent.

VOLUNTARY AGREEMENTS

SEC. 5. In carrying out the provisions of this Act, the Administrator is authorized to confer with producers, processors, manufacturers, retailers, wholesalers, and other groups having to do with commodities, and with representatives and associations thereof, to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or the other purposes of this Act, but no such arrangement or agreement shall modify any regulation, order, or price schedule previously issued which is effective in accordance with the provisions of section 2 or section 206. The Attorney General shall be promptly furnished with a copy of each such arrangement or agreement.

TITLE II—ADMINISTRATION AND ENFORCEMENT

ADMINISTRATION

SEC. 201. (a) There is hereby created an Office of Price Administration, which shall be under the direction of a Price Administrator (referred to in this Act as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this Act, and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The administrator may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Price Administration, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(b) The principal office of the Administrator shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place. The President is authorized to transfer any of the powers and functions conferred by this Act upon the Office of Price Administration with respect to a particular commodity or commodities to any other department or agency of the Government having other functions relating to such commodity or commodities, and to transfer to the Office of Price Administration any of the powers and functions relating to priorities or rationing conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities; but, notwithstanding any provision of this or any other law, no powers or functions conferred by law upon the Secretary of Agriculture shall be transferred to the Office of Price Administration or to the Administrator, and no powers or functions conferred by law upon any other department or agency of the Government with respect to any agricultural commodity, except powers and functions relating to priorities or rationing, shall be so transferred.

(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and

elsewhere; for lawbooks and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250.

(d) The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this Act.

(e) *All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders, or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: Provided, That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge.*

INVESTIGATIONS; RECORDS; REPORTS

SEC. 202. (a) The Administrator is authorized to make such studies and investigations and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder.

(b) The Administrator is further authorized, by regulation or order, to require any person who is engaged in the business of dealing with any commodity, or who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such person to permit the inspection and copying of records and other documents, the inspection of inventories, and the inspection of defense-area housing accommodations. The Administrator may administer oaths and affirmations and may, whenever necessary, by subpoena, require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

(c) For the purpose of obtaining any information under subsection (a), the Administrator may by subpoena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpoena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

(e) In case of contumacy by, or refusal to obey a subpoena served upon, any person referred to in subsection (c), the district court for any district in which such person is found or resides or transacts business, upon application by the Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection (b), and shall be in addition to the provisions of section 4 (a).

(f) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(h) The Administrator shall not publish or disclose any information obtained under this Act that such Administrator deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless he determines that the withholding thereof is contrary to the interest of the national defense and security.

PROCEDURE

SEC. 203. (a) **[Within a period of sixty days]** *At any time* after the issuance of any regulation or order under section 2, or in the case of a price schedule, **[within a period of sixty days]** *at any time* after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. **[At any time** after the expiration of such sixty days any persons subject to any provision of such regulation, order, or price schedule may file such a protest based solely on grounds arising after the expiration of such sixty days.] Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing **[or ninety days** after the issuance of the regulation or order (or in the case of a price schedule, ninety days after the effective date thereof specified in section 206) in respect of which the protest is filed, whichever occurs later], the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.*

(d) *Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 240, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.*

REVIEW

SEC. 204. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation, order, or price

schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereof; except that on request by the Administrator, any such evidence shall be presented directly to the court.

(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2 or any price schedule effective in accordance with the provisions of section 206. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court, upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule. Except as provided in this section, no court—Federal, State, or Territorial—shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this Act authorizing the issuance of such regulations or orders, or making effective any such price schedule, or any provision

of any such regulation, order, or price schedule, or to restrain or enjoin the enforcement of any such provision.

(e) (1) *At any time prior to or within five days after judgment in any proceeding brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.*

(2) *In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order or price schedule, the court shall stay the proceeding—*

(i) *during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;*

(ii) *during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and*

(iii) *during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.*

Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph may issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of the provision of the regulation, order, or price schedule involved. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205.

ENFORCEMENT

SEC. 205. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 4 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 4 of this Act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 2 or section 202, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than two years in the case of a violation of section 4 (c) and for not more than one year in all other cases, or to both such fine and imprisonment. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 4 of this Act, and, concurrently with State and Territorial courts, of all other proceedings under section 205 of this Act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Except as provided in section 205 (f) (2), such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Administrator or the United States Government in any proceeding under this Act.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, price schedule, requirement, or agreement thereunder, or under any price schedule of the Administrator of the Office of Price Administration or of the Administrator of the Office of Price Administration and Civilian Supply, notwithstanding that subsequently such provision, regulation, order, price schedule, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, price schedule, requirement, or agreement thereunder, the court having jurisdiction of such suit or action shall certify such fact to the Administrator. The Administrator may intervene in any such suit or action.

(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business **[may]** *may, within one year from the date of the occurrence of the violation except as hereinafter provided, bring an action [either for \$50 or for treble the amount by which the consideration exceeded the applicable maximum price, whichever is the greater, plus reasonable attorney's fees and costs as determined by the court] against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50.* For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word "overcharge" shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer **[is not entitled to bring suit or action under this subsection, the Administrator may bring such action under this subsection on behalf of the United States]** *either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. [Any suit or action under this subsection may be brought in any court of competent jurisdiction, and shall be instituted within one year after delivery is completed or rent is paid.] Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. [The provisions of this subsection shall not take effect until after the expiration of six months from the date of enactment of this act.]*

(f) (1) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under section 2, or of any price schedule effective in accordance with the provisions of section 206, he may by regulation or order issue to or require of any person or persons subject to any regulation or order issued under

section 2, or subject to any such price schedule, a license as a condition of selling any commodity or commodities with respect to which such regulation, order, or price schedule is applicable. It shall not be necessary for the Administrator to issue a separate license for each commodity or for each regulation, order, or price schedule with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under section 2 or section 202: *Provided*, That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or motion pictures, or as a condition of selling radio time: *Provided further*, That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him, and no license may be required of any fisherman as a condition of selling any fishery commodity caught or taken by him: *Provided further*, That in any case in which such a license is required of any person, the Administrator shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

(2) Whenever in the judgment of the Administrator a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any regulation, order, or requirement under section 2 or section 202 (b), or any of the provisions of any price schedule effective in accordance with the provisions of section 206, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the Administrator has reason to believe that such person has again violated any of the provisions of such license, regulation, order, price schedule, or requirement after receipt of such warning notice, the Administrator may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than twelve months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no such suspension shall be for a period of more than twelve months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his gross sales exceed \$100,000 per annum. Within thirty days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the Administrator's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice; and upon written stipulation of the parties to the proceeding for suspension, approved by the trial court, any such order of suspension may be modified, and the license which has been suspended may be restored, upon such terms and conditions as such court shall find reasonable. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of such license, regulation, order, price schedule, or requirement after receipt of such warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this Act.

SAVING PROVISIONS

SEC. 206. Any price schedule establishing a maximum price or maximum prices, issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to the date upon which the Administrator provided for by section 201 of this Act takes office, shall, from such date, have the same effect as if issued under section 2 of this Act until such price schedule is superseded by action taken

pursuant to such section 2. Such price schedules shall be consistent with the standards contained in section 2 and the limitations contained in section 3 of this Act, and shall be subject to protest and review as provided in section 203 and section 204 of this Act. All such price schedules shall be reprinted in the Federal Register within ten days after the date upon which such Administrator takes office.

TITLE III—MISCELLANEOUS

QUARTERLY REPORT

SEC. 301. The Administrator from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

DEFINITIONS

SEC. 302. As used in this Act—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell", "selling", "seller", "buy", and "buyer" shall be construed accordingly.

(b) The term "price" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, and newspapers other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in this Act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (5) rates charged for any professional services.

(d) The term "defense-rental area" means the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of this Act.

(e) The term "defense-area housing accommodations" means housing accommodations within any defense-rental area.

(f) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, hotels, rooming or boarding house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(g) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

(h) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing; *Provided*, That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivision, or agency.

(i) The term "maximum price," as applied to prices of commodities means the maximum lawful price for such commodities, and the term "maximum rent" means the maximum lawful rent for the use of defense-area housing accommodations. Maximum prices and maximum rents may be formulated, as the case may be, in terms of prices, rents, margins, commissions, fees, and other charges, and allowances.

(j) 'The term "documents" includes records, books, accounts, correspondence, memoranda, and other documents, and drafts and copies of any of the foregoing.

(k) The term "district court" means any district court of the United States, and the United States Court for any Territory or other place subject to the jurisdiction of the United States; and the term "circuit courts of appeals" includes the United States Court of Appeals for the District of Columbia.

SEPARABILITY

SEC. 303. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

APPROPRIATIONS AUTHORIZED

SEC. 304. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this Act.

APPLICATION OF EXISTING LAW

SEC. 305. No provision of law in force on the date of enactment of this Act shall be construed to authorize any action inconsistent with the provisions and purposes of this Act.

SHORT TITLE

SEC. 306. This Act may be cited as the "Emergency Price Control Act of 1942".
Approved, January 30, 1942.

[PUBLIC LAW 729—77TH CONGRESS]

[CHAPTER 578—2D SESSION]

[H. R. 7565]

AN ACT

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President [may] shall, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accord-

ance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President [may] *shall*, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries, (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942.

In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled workweek.

SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on [June 30, 1944] *June 30, 1945*, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944".

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,".

(2) By striking out "85 per centum" and inserting in lieu thereof "90 per centum".

(3) By inserting after the word "tobacco" a comma and the word "peanuts".

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this Act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment.

SEC. 12. *The Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives, respectively, are authorized to conduct investigations as to the effectiveness of the stabilization activities carried on pursuant to this Act, the Emergency Price Control Act of 1942, or otherwise, and as to the effect of such activities upon industry, production, renting and housing, and distribution. For such purposes, either such committee, acting as a whole or by subcommittee, may sit and act at such times, whether or not the Senate or House is sitting, has recessed, or has adjourned, hold such hearings, require by subpoena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, and take such testimony, as it deems necessary. Subpoena may be issued under the signature of the chairman of either such committee or of any member designated by him, and may be served by any person designated by such chairman or member. Such committees, respectively, shall report from time to time to the Senate and House of Representatives the results of such investigations, together with such recommendations as such committees deem advisable.*

SEC. 13. *This Act may be cited as the "Stabilization Act of 1942".*

Approved, October 2, 1942.



78TH CONGRESS
2D SESSION

H. R. 4941

[Report No. 1593]

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 1944

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

JUNE 3, 1944

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

To extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 1 (b) of the Emergency Price Control
4 Act of 1942, as amended, is amended by striking out "June
5 30, 1944" and inserting in lieu thereof "June 30, 1945".

6 (b) Section 6 of the Stabilization Act of October 2,
7 1942, as amended, is amended by striking out "June 30,
8 1944" and inserting in lieu thereof "June 30, 1945".

9 SEC. 2. Section 2 of the Emergency Price Control Act
10 of 1942, as amended, is amended to read as follows:

1 "PRICES, RENTS, AND MARKET AND RENTING PRACTICES

2 "SEC. 2. (a) Whenever in the judgment of the Price
3 Administrator (provided for in section 201) the price or
4 prices of a commodity or commodities have risen or threaten
5 to rise to an extent or in a manner inconsistent with the
6 purposes of this Act, he may by regulation or order estab-
7 lish such maximum price or maximum prices as in his judg-
8 ment will be generally fair and equitable and will effectuate
9 the purposes of this Act. So far as practicable, in establishing
10 any maximum price, the Administrator shall ascertain and
11 give due consideration to the prices prevailing between
12 October 1 and October 15, 1941 (or if, in the case of any
13 commodity, there are no prevailing prices between such
14 dates, or the prevailing prices between such dates are not
15 generally representative because of abnormal or seasonal
16 market conditions or other cause, then to the prices prevail-
17 ing during the nearest two-week period in which, in the
18 judgment of the Administrator, the prices for such com-
19 modity are generally representative), for the commodity or
20 commodities included under such regulation or order, and
21 shall make adjustments for such relevant factors as he may
22 determine and deem to be of general applicability, including
23 the following: Speculative fluctuations, general increases or
24 decreases in costs of production, distribution, and transporta-
25 tion, and general increases or decreases in profits earned by

1 sellers of the commodity or commodities, during and subse-
2 quent to the year ended October 1, 1941: *Provided*, That
3 no such regulation or order shall contain any provision
4 requiring the determination of costs otherwise than in accord-
5 ance with established accounting methods: *Provided further*,
6 That this Act shall not be construed or interpreted in such
7 a way as to give the Administrator the right to fix profits
8 where such action has no relation to price control. Every
9 regulation or order issued under the foregoing provisions of
10 this subsection shall be accompanied by a statement of the
11 considerations involved in the issuance of such regulation
12 or order. As used in the foregoing provisions of this sub-
13 section, the term 'regulation or order' means a regulation
14 or order of general applicability and effect. Before issuing
15 any regulation or order under the foregoing provisions of
16 this subsection, the Administrator shall, so far as practicable,
17 advise and consult with representative members of the indus-
18 try which will be affected by such regulation or order, and
19 shall give consideration to their recommendations. In the
20 case of any commodity for which a maximum price has
21 been established, the Administrator shall, at the request of
22 any substantial portion of the industry subject to such maxi-
23 mum price, regulation, or order of the Administrator, ap-
24 point an industry advisory committee, or committees, either
25 national or regional or both, consisting of such number

1 of representatives of the industry as may be necessary in
2 order to constitute a committee truly representative of the
3 industry, or of the industry in such region, as the case may
4 be. The committee shall select a chairman from among
5 its members, and shall meet at the call of the chairman.
6 The Administrator shall from time to time, at the request
7 of the committee, advise and consult with the committee
8 with respect to the regulation or order, and with respect
9 to the form thereof, and classifications, differentiations, and
10 adjustment therein. The committee may make such recom-
11 mendations to the Administrator as it deems advisable, and
12 such recommendations shall be considered by the Administra-
13 tor. Whenever in the judgment of the Administrator such
14 action is necessary or proper in order to effectuate the pur-
15 poses of this Act, he may, without regard to the foregoing
16 provisions of this subsection, issue temporary regulations
17 or orders establishing as a maximum price or maximum
18 prices the price or prices prevailing with respect to any
19 commodity or commodities within five days prior to the
20 date of issuance of such temporary regulations or orders;
21 but any such temporary regulation or order shall be effec-
22 tive for not more than sixty days, and may be replaced
23 by a regulation or order issued under the foregoing provisions
24 of this subsection.

25 “(b) Whenever in the judgment of the Administrator

1 such action is necessary or proper in order to effectuate the
2 purposes of this Act, he shall issue a declaration setting forth
3 the necessity for, and recommendations with reference to, the
4 stabilization or reduction of rents for any defense-area hous-
5 ing accommodations within a particular defense-rental area.
6 If within sixty days after the issuance of any such recom-
7 mendations rents for any such accommodations within such
8 defense-rental area have not in the judgment of the Adminis-
9 trator been stabilized or reduced by State or local regulation,
10 or otherwise, in accordance with the recommendations, the
11 Administrator may by regulation or order establish such
12 maximum rent or maximum rents for such accommodations
13 as in his judgment will be generally fair and equitable and will
14 effectuate the purposes of this Act. So far as practicable, in
15 establishing any maximum rent for any defense-area housing
16 accommodations, the Administrator shall ascertain and give
17 due consideration to the rents prevailing for such accommoda-
18 tions, or comparable accommodations, on or about April 1,
19 1941 (or if, prior or subsequent to April 1, 1941, defense
20 activities shall have resulted or threatened to result in in-
21 creases in rents for housing accommodations in such area in-
22 consistent with the purposes of this Act, then on or about a
23 date (not earlier than April 1, 1940), which in the judg-
24 ment of the Administrator, does not reflect such increases),
25 and he shall make adjustments for such relevant factors as

1 he may determine and deem to be of general applicability
2 in respect of such accommodations, including increases
3 or decreases in property taxes and other costs within such
4 defense-rental area. In designating defense-rental areas,
5 in prescribing regulations and orders establishing maximum
6 rents for such accommodations, and in selecting persons to
7 administer such regulations and orders, the Administrator
8 shall, to such extent as he determines to be practicable, con-
9 sider any recommendations which may be made by State
10 and local officials concerned with housing or rental conditions
11 in any defense-rental area.

12 “(c) Any regulation or order under this section may
13 be established in such form and manner, may contain such
14 classifications and differentiations, and may provide for such
15 adjustments and reasonable exceptions, as in the judgment
16 of the Administrator are necessary or proper in order to
17 effectuate the purposes of this Act. The Administrator shall
18 provide for individual adjustments in those classes of cases
19 where the rent on the maximum rent date for any housing
20 accommodations is, due to peculiar circumstances, substan-
21 tially higher or lower than the rents generally prevailing in
22 the defense-rental area for comparable housing accommoda-
23 tions. Any regulation or order under this section which
24 establishes a maximum price or maximum rent may pro-
25 vide for a maximum price or maximum rent below the

1 price or prices prevailing for the commodity or commodities,
2 or below the rent or rents prevailing for the defense-area
3 housing accommodations, at the time of the issuance of such
4 regulation or order. Whenever the Administrator shall find
5 that the availability of adequate rental housing accommoda-
6 tions and other relevant factors are such as to eliminate
7 speculative, unwarranted, and abnormal increases in rents
8 and to prevent profiteering, and speculative and other dis-
9 ruptive practices resulting from abnormal market conditions
10 caused by congestion, the controls imposed upon rents by
11 authority of this Act shall be forthwith abolished in such
12 areas theretofore designated by the Administrator as defense-
13 rental areas; but whenever in the judgment of the Adminis-
14 trator it is necessary or proper, in order to effectuate the
15 purpose of this Act, to reestablish the regulation of rents in
16 any such defense-rental area, he may forthwith by regulation
17 or order establish maximum rents for housing accommoda-
18 tions in the area in accordance with the standards set forth
19 in this Act.

20 “(d) Whenever in the judgment of the Administrator
21 such action is necessary or proper in order to effectuate the
22 purposes of this Act, he may, by regulation or order, regu-
23 late or prohibit speculative or manipulative practices (includ-
24 ing practices relating to changes in form or quality) or
25 hoarding, in connection with any commodity, and speculative

1 or manipulative practices or renting or leasing practices (in-
2 cluding practices relating to recovery of the possession) in
3 connection with any defense-area housing accommodations,
4 which in his judgment are equivalent to or are likely to
5 result in price or rent increases, as the case may be, incon-
6 sistent with the purposes of this Act.

7 “(e) Whenever the Administrator determines that the
8 maximum necessary production of any commodity is not
9 being obtained or may not be obtained during the ensuing
10 year, he may, on behalf of the United States, without regard
11 to the provisions of law requiring competitive bidding, buy
12 or sell at public or private sale, or store or use, such com-
13 modity in such quantities and in such manner and upon such
14 terms and conditions as he determines to be necessary to
15 obtain the maximum necessary production thereof or other-
16 wise to supply the demand therefor, or make subsidy pay-
17 ments to domestic producers of such commodity in such
18 amounts and in such manner and upon such terms and con-
19 ditions as he determines to be necessary to obtain the max-
20 imum necessary production thereof: *Provided*, That in the
21 case of any commodity which has heretofore or may here-
22 after be defined as a strategic or critical material by the
23 President pursuant to section 5d of the Reconstruction
24 Finance Corporation Act, as amended, such determinations
25 shall be made by the Federal Loan Administrator, with the

1 approval of the President, and, notwithstanding any other
2 provision of this Act or of any existing law, such commodity
3 may be bought or sold, or stored or used, and such subsidy
4 payments to domestic producers thereof may be paid, only
5 by corporations created or organized pursuant to such sec-
6 tion 5d; except that in the case of the sale of any commodity
7 by any such corporation, the sale price therefor shall not
8 exceed any maximum price established pursuant to subsec-
9 tion (a) of this section which is applicable to such com-
10 modity at the time of sale or delivery, but such sale price
11 may be below such maximum price or below the purchase
12 price of such commodity, and the Administrator may make
13 recommendations with respect to the buying or selling, or
14 storage or use, of any such commodity: *Provided, however,*
15 That, with the exception of any commodity which prior to
16 the effective date of this amendatory proviso has been defined
17 as a strategic or critical material pursuant to section 5d of
18 the Reconstruction Finance Corporation Act, as amended; no
19 agricultural commodity or commodity manufactured or proc-
20 essed in whole or substantial part from any agricultural
21 commodity intended to be used as food for human consump-
22 tion, shall, for the purposes of this subsection, be defined as
23 a strategic or critical material pursuant to the provisions of
24 said section 5d of the Reconstruction Finance Corporation

1 Act, as amended. In any case in which a commodity is
2 domestically produced, the powers granted to the Adminis-
3 trator by this subsection shall be exercised with respect to
4 importations of such commodity only to the extent that, in
5 the judgment of the Administrator, the domestic production
6 of the commodity is not sufficient to satisfy the demand
7 therefor. Nothing in this section shall be construed to
8 modify, suspend, amend, or supersede any provision of the
9 Tariff Act of 1930, as amended, and nothing in this section,
10 or in any existing law, shall be construed to authorize any
11 sale or other disposition of any agricultural commodity con-
12 trary to the provisions of the Agricultural Adjustment Act
13 of 1938, as amended, or to authorize the Administrator to
14 prohibit trading in any agricultural commodity for future
15 delivery if such trading is subject to the provisions of the
16 Commodity Exchange Act, as amended.

17 “(f) No power conferred by this section shall be con-
18 strued to authorize any action contrary to the provisions
19 and purposes of section 3, and no agricultural commodity
20 shall be sold within the United States pursuant to the provi-
21 sions of this section by any governmental agency at a price
22 below the price limitations imposed by section 3 (a) of this
23 Act with respect to such commodity.

24 “(g) Regulations, orders, and requirements under this

1 Act may contain such provisions as the Administrator deems
2 necessary to prevent the circumvention or evasion thereof.

3 “(h) The powers granted in this section shall not be
4 used or made to operate to compel changes in the business
5 practices, cost practices or methods, or means or aids to
6 distribution, established in any industry, or changes in estab-
7 lished rental practices.

8 “(i) No maximum price shall be established for any
9 fishery commodity below the average price of such com-
10 modity in the year 1941.

11 “(j) Nothing in this Act shall be construed (1) as
12 authorizing the elimination or any restriction of the use of
13 trade and brand names; (2) as authorizing the Adminis-
14 trator to require the grade labeling of any commodity; (3)
15 as authorizing the Administrator to standardize any com-
16 modity, unless the Administrator shall determine, with re-
17 spect to such standardization, that no practicable alternative
18 exists for securing effective price control with respect to
19 such commodity; or (4) as authorizing any order of the
20 Administrator fixing maximum prices for different kinds,
21 classes, or types of a commodity which are described in
22 terms of specifications or standards, unless such specifications
23 or standards were, prior to such order, in general use in
24 the trade or industry affected, or have previously been

1 promulgated and their use lawfully required by another
2 Government agency.”

3 SEC. 3. (a) Subsection (e) of section 3 of the Emer-
4 gency Price Control Act of 1942, as amended, is
5 amended to read as follows:

6 “(e) Notwithstanding any other provision of this or any
7 other law, no action shall be taken under this Act by the
8 Administrator or any other person with respect to any agri-
9 cultural commodity without the prior approval of the Secre-
10 tary of Agriculture; except that the Administrator may take
11 such action as may be necessary under section 202 and
12 section 205 to enforce compliance with any regulation,
13 order, price schedule or other requirement with respect to
14 an agricultural commodity which has been previously ap-
15 proved by the Secretary of Agriculture.”

16 (b) Section 3 of the Emergency Price Control Act of
17 1942, as amended, is amended by adding at the end thereof
18 the following new subsection:

19 “(g) Whenever a maximum price has been established,
20 under this Act or otherwise, with respect to any fresh fruit
21 or fresh vegetable, the Administrator from time to time shall
22 adjust such maximum price in order to make appropriate
23 allowances for substantial reductions in merchantable crop
24 yields, unusual increases in costs of production, and other

1 factors which result from hazards occurring in connection
2 with the production and marketing of such commodity.”

3 SEC. 4. Section 201 of the Emergency Price Control
4 Act of 1942, as amended, is amended by adding at the
5 end thereof the following new subsection:

6 “(e) All agencies, offices, or officers of the Government
7 exercising supervisory or policy-making powers over the
8 Office of Price Administration, War Food Administration
9 or War Production Board, whether such powers are dele-
10 gated to such agency, office, or officer by this or any other
11 Act or by Executive order, shall exercise such powers only
12 through formal written orders, or regulations which shall be
13 promptly published in the Federal Register, but shall not
14 otherwise be subject to the provisions of the Federal Register
15 Act: *Provided*, That no order or regulation shall be published
16 in accordance with the requirements of this subsection con-
17 taining information which, for reasons of military security,
18 it is not in the public interest to divulge.”

19 SEC. 5. Section 203 of the Emergency Price Control
20 Act of 1942, as amended, is amended to read as follows:

21 “PROCEDURE

22 “SEC. 203. (a) At any time after the issuance of any
23 regulation or order under section 2, or in the case of a price
24 schedule, at any time after the effective date thereof specified

1 in section 206, any person subject to any provision of such
2 regulation, order, or price schedule may, in accordance with
3 regulations to be prescribed by the Administrator, file a
4 protest specifically setting forth objections to any such pro-
5 vision and affidavits or other written evidence in support of
6 such objections. Statements in support of any such regula-
7 tion, order, or price schedule may be received and incor-
8 porated in the transcript of the proceedings at such times
9 and in accordance with such regulations as may be prescribed
10 by the Administrator. Within a reasonable time after the
11 filing of any protest under this subsection, but in no event
12 more than thirty days after such filing, the Administrator
13 shall either grant or deny such protest in whole or in part,
14 notice such protest for hearing, or provide an opportunity to
15 present further evidence in connection therewith. In the
16 event that the Administrator denies any such protest in
17 whole or in part, he shall inform the protestant of the grounds
18 upon which such decision is based, and of any economic data
19 and other facts of which the Administrator has taken official
20 notice.

21 “(b) In the administration of this Act the Administra-
22 tor may take official notice of economic data and other facts,
23 including facts found by him as a result of action taken under
24 section 202.

25 “(c) Any proceedings under this section may be lim-

1 ited by the Administrator to the filing of affidavits, or other
2 written evidence, and the filing of briefs: *Provided, however,*
3 That, upon the request of the protestant, any protest filed in
4 accordance with subsection (a) of this section, after Sep-
5 tember 1, 1944, shall, before denial in whole or in part,
6 be considered by a board of review consisting of one or more
7 officers or employees of the Office of Price Administration
8 designated by the Administrator in accordance with regula-
9 tions to be promulgated by him. The Administrator shall
10 cause to be presented to the board such evidence, including
11 economic data, in the form of affidavits or otherwise, as he
12 deems appropriate in support of the provision against which
13 the protest is filed. The protestant shall be accorded an op-
14 portunity to present rebuttal evidence in writing and oral
15 argument before the board and the board shall make written
16 recommendations to the Price Administrator. The protestant
17 shall be informed of the recommendations of the board and,
18 in the event that the Administrator rejects such recommenda-
19 tions in whole or in part, shall be informed of the reasons
20 for such rejection.

21 “(d) Any protest filed under this section shall be
22 granted or denied by the Administrator, or granted in part
23 and the remainder of it denied, within a reasonable time
24 after it is filed. Any protestant who is aggrieved by undue
25 delay on the part of the Administrator in disposing of his

1 protest may petition the Emergency Court of Appeals,
2 created pursuant to section 240, for relief; and such court
3 shall have jurisdiction by appropriate order to require the
4 Administrator to dispose of such protest within such time
5 as may be fixed by the court. If the Administrator does
6 not act finally within the time fixed by the court, the protest
7 shall be deemed to be denied at the expiration of that period."

8 SEC. 6. Section 204 of the Emergency Price Control
9 Act of 1942, as amended, is amended by adding at the
10 end thereof the following new subsection:

11 "(e) (1) At any time prior to or within five days after
12 judgment in any proceeding brought pursuant to section 205
13 involving alleged violation of any provision of any regula-
14 tion or order issued under section 2 or of any price schedule
15 effective in accordance with the provisions of section 206, the
16 defendant may apply to the court in which the proceeding
17 is pending for leave to file in the Emergency Court of Appeals
18 a complaint against the Administrator setting forth objections
19 to the validity of any provision which the defendant is alleged
20 to have violated. The court in which the proceeding is pend-
21 ing shall grant such leave with respect to any objection which
22 it finds is made in good faith and with respect to which it
23 finds there is reasonable and substantial excuse for the de-
24 fendant's failure to present such objection in a protest filed
25 in accordance with section 203 (a). Upon the filing of a

1 complaint pursuant to and within thirty days from the grant-
2 ing of such leave, the Emergency Court of Appeals shall
3 have jurisdiction to enjoin or set aside in whole or in part
4 the provision of the regulation, order, or price schedule com-
5 plained of or to dismiss the complaint. The court may
6 authorize the introduction of evidence, either to the Adminis-
7 trator or directly to the court, in accordance with subsection
8 (a) of this section. The provisions of subsections (b), (c),
9 and (d) of this section shall be applicable with respect to any
10 proceeding instituted in accordance with this subsection.

11 “(2) In any proceeding brought pursuant to section
12 205 involving an alleged violation of any provision of any
13 such regulation, order or price schedule, the court shall stay
14 the proceeding—

15 “(i) during the period within which a complaint
16 may be filed in the Emergency Court of Appeals pur-
17 suant to leave granted under paragraph (1) of this
18 subsection with respect to such provisions;

19 “(ii) during the pendency of any protest properly
20 filed by the defendant under section 203 prior to the
21 institution of the proceeding under section 205, setting
22 forth objections to the validity of such provision which
23 the court finds to have been made in good faith; and

24 “(iii) during the pendency of any judicial proceed-
25 ing instituted by the defendant under this section with

1 respect to such protest or instituted by the defendant
2 under paragraph (1) of this subsection with respect
3 to such provision, and until the expiration of the time
4 allowed in this section for the taking of further proceed-
5 ings with respect thereto.

6 Notwithstanding the provisions of this paragraph, in the case
7 of a proceeding under section 205 (a) the court granting
8 a stay under this paragraph may issue a temporary injunc-
9 tion or restraining order enjoining or restraining, during
10 the period of the stay, violations by the defendant of the pro-
11 vision of the regulation, order, or price schedule involved. If
12 any provision of a regulation, order, or price schedule is
13 determined to be invalid by judgment of the Emergency
14 Court of Appeals which has become effective in accordance
15 with section 204 (b), any proceeding pending in any court
16 shall be dismissed, and any judgment in such proceeding
17 vacated, to the extent that such proceeding or judgment is
18 based upon violation of such provision. Except as provided
19 in this subsection, the pendency of any protest under section
20 203, or judicial proceeding under this section, shall not be
21 grounds for staying any proceeding brought pursuant to
22 section 205."

23 SEC. 7. (a) Subsection (e) of section 205 of the Emer-
24 gency Price Control Act of 1942, as amended, is amended
25 to read as follows:

1 “(e) If any person selling a commodity violates a
2 regulation, order, or price schedule prescribing a maximum
3 price or maximum prices, the person who buys such com-
4 modity for use or consumption other than in the course of
5 trade or business may, within one year from the date of
6 the occurrence of the violation except as hereinafter pro-
7 vided, bring an action against the seller on account of the
8 overcharge. In such action, the seller shall be liable for
9 reasonable attorney’s fees and costs as determined by the
10 court, plus whichever of the following sums is the greater:
11 (1) Such amount not less than one and one-half times and
12 not more than three times the amount of the overcharge, or
13 the overcharges, upon which the action is based as the court
14 in its discretion may determine, or (2) \$50. For the pur-
15 poses of this section the payment or receipt of rent for
16 defense-area housing accommodations shall be deemed the
17 buying or selling of a commodity, as the case may be; and
18 the word ‘overcharge’ shall mean the amount by which the
19 consideration exceeds the applicable maximum price. If
20 any person selling a commodity violates a regulation, order,
21 or price schedule prescribing a maximum price or maximum
22 prices, and the buyer either fails to institute an action under
23 this subsection within thirty days from the date of the occur-
24 rence of the violation or is not entitled for any reason to
25 bring the action, the Administrator may institute such action

1 on behalf of the United States within such one year period.
2 If such action is instituted by the Administrator, the buyer
3 shall thereafter be barred from bringing an action for the
4 same violation or violations. Any action under this sub-
5 section by either the buyer or the Administrator, as the case
6 may be, may be brought in any court of competent juris-
7 diction. A judgment in an action for damages under this
8 subsection shall be a bar to the recovery under this subsec-
9 tion of any damages in any other action against the same
10 seller on account of sales made to the same purchaser prior
11 to the institution of the action in which such judgment was
12 rendered.”

13 (b) The amendment made by subsection (a), insofar
14 as it relates to actions by buyers or actions which may be
15 brought by the Administrator only after the buyer has failed
16 to institute an action within thirty days from the occurrence
17 of the violation, shall be applicable only with respect to vio-
18 lations occurring after the date of enactment of this Act.
19 In other cases, such amendment shall be applicable with re-
20 spect to proceedings pending on the date of enactment of
21 this Act and with respect to proceedings instituted thereafter.

22 SEC. 8. The second sentence of the first section of the
23 Stabilization Act of October 2, 1942, as amended, is amended
24 to read as follows: “The President shall, except as other-
25 wise provided in this Act, thereafter provide for making

1 adjustments with respect to prices, wages, and salaries, to
2 the extent that he finds necessary to aid in the effective pro-
3 secution of the war or to correct gross inequities: *Provided*,
4 That no common carrier or other public utility shall make
5 any general increase in its rates or charges which were in
6 effect on September 15, 1942, unless it first gives thirty
7 days notice to the President, or such agency as he may desig-
8 nate, and consents to the timely intervention by such agency
9 before the Federal, State, or municipal authority having
10 jurisdiction to consider such increase.”

11 SEC. 9. The first proviso contained in section 3 of such
12 Act of October 2, 1942, as amended, is amended to read
13 as follows: “*Provided*, That the President shall, without
14 regard to the limitation contained in clause (2), adjust
15 any such maximum price to the extent that he finds neces-
16 sary to correct gross inequities; but nothing in this section
17 shall be construed to permit the establishment in any case
18 of a maximum price below a price which will reflect to the
19 producers of any agricultural commodity the price therefor
20 specified in clause (1) of this section:”.

21 SEC. 10. Section 4 of such Act of October 2, 1942,
22 as amended, is amended by adding at the end thereof the
23 following new paragraph:

24 “In any dispute between employees and carriers subject
25 to the Railway Labor Act, as amended, as to changes af-

1 fecting wage or salary payments, the procedures of such Act
2 shall be followed for the purpose of bringing about a settle-
3 ment of such dispute. Any agency provided for by such
4 Act, as a prerequisite to effecting or recommending a settle-
5 ment of any such dispute, shall make a specific finding and
6 certification that the changes proposed by such settlement or
7 recommended settlement are consistent with such standards as
8 may be then in effect, established by or pursuant to law, for
9 the purpose of controlling inflationary tendencies. Where
10 such finding and certification are made by such agency, they
11 shall be conclusive, and it shall be lawful for the employees
12 and carriers, by agreement, to put into effect the changes
13 proposed by the settlement or recommended settlement with
14 respect to which such finding and certification were made.”

15 SEC. 11. Such Act of October 2, 1942, as amended, is
16 amended by inserting at the end thereof the following new
17 section:

18 “SEC. 12. The Committee on Banking and Currency
19 of the Senate and the Committee on Banking and Currency
20 of the House of Representatives, respectively, are author-
21 ized to conduct investigations as to the effectiveness of the
22 stabilization activities carried on pursuant to this Act, the
23 Emergency Price Control Act of 1942, or otherwise, and
24 as to the effect of such activities upon industry, production,
25 renting and housing, and distribution. For such purposes,

1 either such Committee, acting as a whole or by subcommittee,
2 may sit and act at such times, whether or not the Senate
3 or House is sitting, has recessed, or has adjourned, hold such
4 hearings, require by subpoena, or otherwise, the attendance of
5 such witnesses and the production of such books, papers, and
6 documents, and take such testimony, as it deems necessary.
7 Subpena may be issued under the signature of the chairman
8 of either such Committee or of any member designated by
9 him, and may be served by any person designated by such
10 chairman or member. Such Committees, respectively, shall
11 report from time to time to the Senate and House of Repre-
12 sentatives the results of such investigations, together with
13 such recommendations as such Committees deem advisable.”

14 SEC. 12. Such Act of October 2, 1942, as amended, is
15 amended by inserting after the section added thereto by the
16 foregoing section of this Act, a new section as follows:

17 “SEC. 13. This Act may be cited as the ‘Stabilization
18 Act of 1942’.”

78TH CONGRESS
2^D SESSION

H. R. 4941

[Report No. 1593]

A BILL

To extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes.

By Mr. SPENCE

JUNE 2, 1944

Referred to the Committee on Banking and Currency

JUNE 3, 1944

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No. 102

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
Issued June 6, 1944, for actions of Monday, June 5, 1944)

(For staff of the Department only)

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1. SUGAR-ACT CONTINUATION. Passed without amendment H.R. 4833, to continue for 2 additional years the Sugar Act of 1937 and the taxes relating thereto (pp. 5423-7) Rep. Flannagan, Va., discussed the bill's provisions and Reps. Cannon, Hendricks, Price, and Sikes, of Fla., criticized this bill (pp. 5406-7, 5423-7).
2. FLOOD CONTROL. Agreed to resolutions authorizing the printing as House documents of the War Department's flood control survey reports on the Hungry Horse Dam, Youghiogheny River, and the Cheat River (pp. 5405-6, 5449).
3. OPIUM PRODUCTION. Passed without amendment H.J.Res. 241, urging the President to request foreign governments to limit opium production to the amount necessary for medicinal and scientific uses (pp. 5416-7).
4. LAND ACQUISITION. At the request of Rep. Cole, N.Y., passed over S. 919, to expedite the payment for land acquired during the war period (p. 5408).
5. A.A.A. GRANTS-IN-AID. At the request of Rep. Kean, N.J., passed over H.R. 3405, requiring compliance with State inspection laws by Federal agencies, except TVA, distributing fertilizers, feeds, nursery stock, or seeds (p. 5408).
6. ALIEN EMPLOYMENT. At the request of Rep. Kean, N.J., passed H.R. 2908, to amend Public Law 537, 77th Cong., to remove the date limitation for relieving disbursing officers, certifying officers, and payees in respect to certain payments made in contravention of appropriation restrictions regarding citizenship status (p. 5408).
7. ASSISTANT SECRETARIES OF STATE. Discussed and at the request of Rep. Cole, N.Y., passed over H.R. 4311, authorizing the appointment of two additional Secretaries of State (pp. 5412-3).

8. FORESTRY. At the request of Rep. Madden, Ind., passed over H.R. 2241, to abolish the Jackson Hole National Munument and restore this area to its status as part of the Teton National Forest (p. 5408).

Passed as reported H.R. 1654, to authorize the acquisition by the Secretary of the Interior of certain buildings, etc. of the Olympic Recreation Co. within the Olympic National Park (p. 5419).

9. DEBT LIMIT. Received the conference report on H.R. 4464, to increase the debt limit of the U.S. (p. 5431). The report recommends that the House recede and agree to the Senate figure of \$260,000,000,000. Senate conferees had been appointed earlier in the day (p. 5373).

10. PERSONNEL. Passed without amendment H.R. 4159, to authorize the U.S. Employees' Compensation Commission to make studies and investigations with respect to safety provisions and the causes of injuries in employments under that Act (pp. 5410-1, 5423).

Civil Service Committee submitted an interim report pursuant to H.Res. 16, authorizing an investigation of various activities in Government agencies and departments (H. Rept. 1600) (pp. 5448, 5449).

11. SOIL CONSERVATION; FORESTRY; DAIRY INDUSTRY; FARM LABOR. Discussed and on objections of Reps. Thomas, N.J., and Brooks, La., passed over H.R. 3199, authorizing the appropriation of amounts received from the services of conscientious objectors for expenditure by the Selective Service System (p. 5420). Rep. Sparkman, Ala.; discussed the work done by these men in forestry, soil conservation, and dairy projects.

12. PRICE CONTROL. Rules Committee reported a resolution for the consideration of H.R. 4941, to extend the Price Control and Stabilization Acts for one year (H. Rept. 1601) (pp. 5448, 5449-50).

13. TRANSPORTATION. Roads Committee reported without amendment H.R. 4915, to amend the Federal-Aid Road Act in order to authorize appropriations for post-war construction (H. Rept. 1597) (p. 5449).

14. STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL. Received the conference report on this bill, H.R. 4204 (p. 5431). The conference report recommends that the House recede and concur in the Senate amendment providing for a census of agriculture. (For other provisions of this bill, see Digest 30.)

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15. ECONOMY. Received a Reduction of Nonessential Federal Expenditure (Byrd) Committee's Report on the Ownership and Operation of Federal Automobiles in which it is reported that this Department "owned more cars than any other Government agency" (S. Doc. 198) (pp. 5358-60).

16. TRANSPORTATION. Received a Board of Investigation and Research summary of a report on Federal Regulatory Restrictions upon Motor and Water Carriers. To Interstate Commerce Committee. (p. 5358)

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17. LABOR. Received the National War Labor Board's report for March 1944 (p. 5358).
18. APPROPRIATIONS; SELECTIVE SERVICE. Received from the President a supplemental appropriation estimate of \$1,098,000 for the Selective Service System (p. 5358).
19. PRICE CONTROL. Began debate on S. 1764, to continue the Emergency Price Control Act (pp. 5373, 5378-97). Agreed to the following committee amendments: (1) Continuing the Emergency Price Control Act of 1942 from June 30, 1944, to Dec. 31, 1945 (p. 5382); (2) prohibiting the imposition of conditions or penalties not authorized by law, in connection with Government payments, contracts, quotas, etc., regarding farm commodities (p. 5382-4); (3) permitting OPA enforcement proceedings to be brought without approval of the Secretary of Agriculture (p. 5385); (4) authorizes OPA to buy commodities to obtain information regarding violations of regulations (p. 5385); and (5) agreed, 50-22, to the amendment providing that after June 30, 1945, neither the Price Administrator nor any Government corporation shall make subsidy payments, or buy commodities to sell at a loss, unless funds have been appropriated by Congress for such purpose (pp. 5385-91).

During the debate Sen. Wagner, N.Y., described the committee amendments "which will improve the existing law and which will...aid in removing grounds for complaints against...the program without impeding its operations". (p. 5380).

Sen. Willis, Ind., inserted a petition urging the abolishment of ceiling prices on certain articles, including farm equipment, purchased for use and resold (pp. 5360-1), and submitted an amendment on this subject (pp. 5360-1).

Sen. Stewart, Tenn., submitted an amendment, which he intends to propose, providing for adequate allowance for production and marketing hazards on fresh fruits and vegetables in determining maximum prices (p. 5369).

Received a La. citizens' petition urging continuation of the Emergency Price Control Act (p. 5260).
20. TENNESSEE VALLEY AUTHORITY. Sen. Capper, Kans., inserted a Kans. State Federation of Labor petition urging Congress to oppose the McKellar amendments to the TVA Act (p. 5362).
21. RESEARCH. Agriculture and Forestry Committee reported without amendment S. Res. 291, to investigate whether rayon and other synthetic products can be used as a substitute for cotton and wool (p. 5262).
22. ASSISTANT SECRETARY OF AGRICULTURE. Received the nomination of Charles F. Bran-
nan to be Assistant Secretary of Agriculture (p. 5398).
23. FARM CREDIT. Received the nomination of Ivy W. Duggan to be Governor of the
Farm Credit Administration for the unexpired term of 6 years from June 15, 1940
(p. 5398).
24. NAVAL APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 4559,
acted on items in disagreement and made appointments for a further conference
(pp. 5384-5).
25. ELECTRIFICATION. Agreed to S. Res. 304, authorizing an investigation with re-
spect to the supply and distribution of hydroelectric power, by the Irrigation
and Reclamation Committee (pp. 5397-8).
26. PROPERTY MANAGEMENT. Sen. La Follette, Wis., submitted two amendments which he
intends to propose to H.R. 2795, to amend the Budget and Accounting Act, 1921,
to provide for the more efficient utilization and disposition of Government
property other than land or buildings and facilities or fixtures appurtenant
thereto (p. 5368).

27. RIVERS-HARBORS BILL. Sen. Wallgren, Wash., submitted amendments which he intend to propose to this bill, H.R. 3961 (p. 5368).

BILLS INTRODUCED

28. COTTON INVESTIGATION. By Sen. Ellender, La., S. Res. 301, authorizing the Agriculture and Forestry Committee to make a study and investigation of the cotton textile industry, with particular reference to (1) the ceiling prices fixed by OPA on cotton textiles and the relation of these ceiling prices to prices paid for raw cotton, and (2) the alleged practice of the textile industry in producing luxury fabrics in preference to work clothes and other low-priced goods. To Agriculture and Forestry Committee. (p. 5369.)
29. DAYLIGHT SAVING. By Sen. Wherry, Nebr., S. Con. Res. 44, to terminate war time and to return to standard time. To Interstate Commerce Committee. Remarks of author. (p. 5369.)
30. WAR POWERS. By Rep. Burch, Va., H.R. 4949, "to amend the Second War Powers Act of 1942". To Post Office and Post Roads Committee. (p. 5450.)

ITEMS IN APPENDIX

31. LEND-LEASE, UNRRA, and FEA APPROPRIATIONS. Speech in the House by Rep. Crawford Mich., favoring the amendment to H.R. 4937, providing for regulation of imports and exports of wool and cotton (pp. A2987-8).
32. VETERANS; REEMPLOYMENT. Extension of remarks of Rep. Kunkel, Pa., including a Selective Service summary on veterans' reemployment rights under the Selective Service Act.
33. RATIONING; FOOD DISTRIBUTION; O. P. A. Rep. Tibbott, Pa., inserted an Apollo News-Record article, stating that "the real source of the black market...is in the Government bureaucracy known as O. P. A. at Washington" (pp. A2991-2).
34. TRANSPORTATION. Rep. Mruk, N. Y., inserted a statement by the Niagara Frontier Industrial Traffic League, Buffalo, N.Y., opposing S. 1385, providing for the St. Lawrence seaway and power project (pp. A2992-3).
35. CENSUS; STATISTICS. Extension of remarks of Rep. Bolton, Ohio, criticizing the 1940 census figures concerning Cleveland (pp. A2995-6).
36. BANKING AND CURRENCY. Extension of remarks of Rep. White, Idaho, including a statement of the Guaranty Trust Co., N.Y., concerning Secretary Morgenthau's monetary stabilization plan (pp. A3002-3).
Sen. Johnson, Colo., inserted his radio address commending the new monetary stabilization plan (pp. A 3004-5).
37. FOOD ADMINISTRATION. Sen. Wiley, Wis., inserted his address before the Associate Food Stores banquet, "The Problem of the Retail Food Dealers" (pp. A3012-3).

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38. FARM LABOR. Office of Economic Stabilization's amendment to regulations on farm agricultural labor wages and salaries (pp. 6035-6).
War Food Administrator's regulations relative to salaries and wages of agricultural labor (pp. 6011-2).

INCREASE IN LIMITATION ON NATIONAL DEBT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4464) to increase the debt limit of the United States, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. GEORGE, Mr. WALSH of Massachusetts, Mr. BARKLEY, Mr. LA FOLLETTE, and Mr. VANDENBERG conferees on the part of the Senate.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1764, providing for amendment of the Emergency Price Control Act of 1942.

The ACTING PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 1764) to amend the Emergency Price Control Act of 1942—Public Law 421, Seventy-seventh Congress—as amended by the act of October 2, 1942—Public Law 729, Seventy-seventh Congress.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with amendments.

EXTENSION OF TIME LIMIT FOR IMMUNITY IN THE CASE OF CERTAIN OFFICERS

Mr. HATCH. Mr. President, at this time I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed immediately to the consideration of Senate Joint Resolution 133, Calendar No. 948.

In explanation let me say that the joint resolution was introduced by the Senator from Michigan [Mr. FERGUSON], and would extend the period of time in which court-martial proceedings could be instituted against all persons connected with matters at Pearl Harbor, preceding December 1941, particularly relating generally to Admiral Kimmel and General Short. I have conferred with the leaders on both sides of the aisle, and with the Senator from New York [Mr. WAGNER], and I understand there is no objection to having the joint resolution considered at this time.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 133) to extend the time limit for immunity.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from New Mexico?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 133) to extend the time limit for immunity which had been reported from the Committee on the Judiciary, with amendments.

The ACTING PRESIDENT pro tempore. The first amendment of the committee will be stated.

The CHIEF CLERK. On page 2, line 3, after the words "period of", it is proposed to strike out "three months", and insert "one year."

Mr. CLARK of Missouri. Mr. President, I did not object to consideration of the joint resolution, and I do not intend to object to the amendments, except that I desire to give notice now, inasmuch as probably there will not be a ye-a-and-nay vote on the amendments or on the joint resolution, that I wish to be recorded as voting against the amendments and against the joint resolution. I think the procedure has been a disgraceful one. General Short and Admiral Kimmel have not been brought to trial. I have heretofore expressed myself on that subject on this floor. Apparently some of the higher-ups in the Government are afraid of the nature of the defense which might be made by Admiral Kimmel and General Short.

Recently I have seen in the public press a demand on the part of Admiral Kimmel that he be brought to trial. We all know that if the time limit is extended for a year we might as well recognize the fact that these men will never be brought to trial, or, if they are brought to trial, that the trial will be held after some of the witnesses are dead and after much of the evidence has been dissipated. If we are to extend the time limit for a year, the whole proceedings might as well be dismissed.

We all know what the actual effect of the proposed extension will be. In the press I have read articles quoting some of the members of the Committee on the Judiciary, not by name, but in reference to them, as saying that it is the purpose to see that these men are not brought to trial until after the war. As I have said, it is my opinion that if they are not brought to trial until after the war, they might as well not be brought to trial at all.

We all know that Pearl Harbor is one of the most disgraceful episodes in the history of the United States. We know that the disaster of Pearl Harbor was not due to any lack of armament or any lack of equipment or any lack of personnel, but was due to the fact that the ordinary precautions in the service of security, which should have been taken in peacetime, were flagrantly disregarded. Someone should be court-martialed for that. Someone should be court-martialed while the evidence is fresh. If it was not the fault of Kimmel and Short, they are entitled to be brought to trial and given the opportunity to show upon whom the responsibility rests.

As I have said, I wish to be recorded against this measure, because I think it amounts to allowing the hushing up of the whole episode; and if the persons responsible for it are not brought to trial until the war is over, the trial will be absolutely nugatory in its effect.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the first amendment of the committee.

Mr. HATCH. Mr. President, I was about to explain the amendments, when the Senator from Missouri took the floor and made his statement. It was not my purpose to argue the matter at all. However, in fairness to the Senate and to the Committee on the Judiciary, I think a very brief explanation of the measure should be made, and I shall do so at this time.

As I have said, the joint resolution was introduced by the Senator from Michigan [Mr. FERGUSON]. It was not designed as a method of covering up or of preventing a trial. On the contrary, the joint resolution, as introduced, had exactly the opposite effect. I think it is a matter of common knowledge that the statute of limitations, not only as against the two men who were mentioned, but as against all others connected with Pearl Harbor, had run, and could have been pleaded as a defense or bar to any court-martial proceeding.

The Congress passed a joint resolution extending the period of time in which court-martial proceedings could be had. That extension of time will expire on the 7th of this month. If the statute of limitations is to be extended in order that it may not be pleaded as a bar to possible court-martial proceedings, it is probably necessary that this joint resolution be passed and be acted upon now. I say "probably necessary" because the Army and Navy both take the position that no resolution is necessary at all so far as Admiral Kimmel or General Short are concerned. Both those gentlemen have voluntarily signed agreements, which our committee saw and inspected, in which they agreed to waive the statute of limitations at any time the court-martial proceedings were brought, up to and including 6 months after the end of the war. Those waivers are relied upon by the War and Navy Departments as being sufficient. So far as those two men are concerned, the Departments do not regard this joint resolution as necessary.

On the other hand, as was ably pointed out in the committee by the author of the joint resolution, the Senator from Michigan [Mr. FERGUSON], those waivers relate only to the two men. There may be others who have not waived or have not agreed to waive the statute of limitations. This joint resolution would cover all of them. That was one of the purposes of the joint resolution, and one of the purposes of the committee's action.

We amended the joint resolution to extend the time from 3 months, as proposed, to 1 year, to make it conform with a similar resolution which is pending in the House. It was further amended by striking out section 2 of the original joint resolution. That section would

have required the prompt and immediate filing of charges against those persons. That particular section was discussed very thoroughly in a subcommittee of the Senate Committee on the Judiciary. We had with us officials from the Army and Navy, and other representatives, who went into the whole question.

The Senator from Missouri has stated that certain members of the Judiciary Committee have been quoted as saying that this was a move to cover up and prevent any prosecution. I do not know who those members of the Judiciary Committee are.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CLARK of Missouri. Let me say to the Senator from New Mexico that the article which I saw was an Associated Press dispatch. It did not mention the name of any Senator. However, it stated that certain Democratic members of the committee had stated as their opinion that the effect of the committee amendment would be to insure that Kimmel and Short would not be brought to trial until after the war. I added my own view that they might as well never be brought to trial as to be brought to trial after the war is over, when the evidence is cold, and when an effort will be made to cover up the whole thing.

Mr. HATCH. I do not know who made the statement.

Mr. CLARK of Missouri. I myself do not profess to know.

Mr. HATCH. I misunderstood what the Senator from Missouri said. I understood him to mean that this was a measure to prevent the trial at any time.

Mr. CLARK of Missouri. I added my own observation that they might as well not be tried at all as to be tried after the war is over.

I should like to add one further observation. It is the contention, of course, on the part of the War and Navy Departments, that to proceed with the trials now might interfere with the prosecution of the war. That contention is "hokum" on its face. The leading generals of the Army, the most vitally necessary generals, have been flying around from one place to another. General Clark returned to the United States only a few weeks ago. The commander of the Fifth Army flew over here for consultations with the President and with various War Department officials, and was back in command of his army before anyone knew he had left it. There would be no reason why men who might be necessary witnesses in a court martial of this magnitude could not be called from anywhere in the world, testify, and be back at their stations in 2 or 3 days.

Mr. HATCH. Mr. President, while I have the utmost respect for the views of the Senator from Missouri, I do not agree, and cannot agree that the contention to which he refers is "hokum." On the contrary, I am of the exactly opposite view. I think it would be a grave mistake to enter into an investigation and a public trial of these men now, at a time which may be the most critical in the history of the whole war. I think it would be perfectly ridiculous to bring men from

every theater of war—perhaps hundreds of them, because there were hundreds of men at Pearl Harbor before the disaster there—for a public trial of all the mistakes which may have occurred, or may not have occurred. Military and naval information would be spread on the pages of all the newspapers in the world. I think that would be "hokum." It would be disastrous and almost suicidal.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CLARK of Missouri. Does the Senator have any doubt that the Japs know all about what happened at Pearl Harbor? There is no military secret so far as they are concerned. The only ones who have been kept in the dark are the American people.

Mr. HATCH. I believe there are many things which the Japs do not know with respect to what happened at Pearl Harbor. I am glad that at the time they did not know what happened at Pearl Harbor.

I am not arguing that point. We are confronted with the question whether the statute of limitations is to be effective after the 7th day of June.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BUSHFIELD. I am in general sympathy with the comments of the Senator from Missouri in connection with this matter. However, I should like to submit a question to the Senator from New Mexico. A moment ago he stated that waivers had been signed by the two officers involved.

Mr. HATCH. That is correct.

Mr. BUSHFIELD. I should like to have the Senator's idea as to the effect of such a waiver in a case of this kind. Can a defendant waive the statute of limitations?

Mr. HATCH. In my opinion, it is not a waiver of the statute of limitations. It is an agreement not to plead the statute of limitations. Those gentlemen could violate the agreement and plead the statute of limitations if they so desired. However, other proceedings could be instituted by the War and Navy Departments to punish them for violation of such an agreement. I do not anticipate that they would violate the agreement.

Mr. BUSHFIELD. The other proceedings to which the Senator refers would mean dismissal from the service, I take it.

Mr. HATCH. Dishonorable discharge.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CHANDLER. As I understand, my friend from New Mexico meant that in the case of Admiral Kimmel and General Short, the agreement not to plead the statute of limitations would be sufficient.

Mr. HATCH. That is correct.

Mr. CHANDLER. They have promised, upon their honor as officers and gentlemen, not to plead the statute of limitations. If they should do so, there would be other proceedings against them. If the waivers are not good, I do not believe anything can be done to Admiral Kimmel and General Short. I remind the

Senate that up to the present time no charges have been filed against either of them. The original resolution by which we sought to extend the time of the operation of the statute of limitations was passed on the 7th of the month and signed by the President on the 20th.

In my judgment, what we propose to do is perfectly innocuous. I do not believe it means anything. I believe that any man who is charged with a serious offense against his country which involves a court martial is entitled to trial. Admiral Kimmel has demanded a trial. However, thus far no charges have been filed against him, and I am not certain that any real charges can be filed against him which would support a court martial. The Army and Navy had a right to believe that the President, by appointing a special commission, took the case out of their hands. It is perfectly foolish to assume that the Army has a right to investigate the Executive offices, the State Department, the F. B. I., the Federal Communications Commission, and various other commissions which may have to be investigated in order to ascertain the full facts and circumstances surrounding what happened at Pearl Harbor. The Army can investigate itself and can ascertain the facts as to what happened in the Army. The Navy can investigate itself and determine the facts, so far as it is able to do so, as to what happened in the Navy on that occasion.

I do not agree with the statement that we were ready for war at Pearl Harbor. We were not ready for war. I should not like to see these two officers made scapegoats because of the failure of many others to estimate the seriousness of the situation and take steps which would have prevented what happened. I should dislike, during wartime, to see a situation which would require, as we all agree, that officers from all over the world who are now fighting the enemy be called back to Washington to engage in a trial which might last 3 or 4 months.

What happened at Pearl Harbor is past. It was a tragic loss—the greatest loss we ever suffered in any single engagement in the history of the Republic. Fighting over that question now will not bring back any ships or restore the lives of any men.

Although I should like to see Admiral Kimmel tried, personally I do not believe that he has committed any offense against the American people. He was in the American Navy for 40 years, and reached the highest rank in the Navy. I do not believe that he has committed any wrong. However, time will tell. In the meantime, he carries the burden of suspicion that he has betrayed the American people in an important public trust. I do not believe he did so. However, he must stand trial, and in the suspicion and heat of the day he must remain on the side lines. He cannot fight for his country, after having trained for that purpose practically all his life. However, that is a burden and a suspicion to which he must be subject in the interest of the general welfare of all parties concerned. Although many witnesses may die in the meantime, or be

Japanese attacks at several points "anywhere in the Pacific area"?

2. Why was the Pacific Fleet based on Hawaii instead of on the west coast of the United States?

3. Why were so many fleet units dispatched into the Atlantic before, after, and during the time when the Secretary of the Navy, the late Col. Frank Knox, was warning the Secretary of War, Henry L. Stimson, of a possible Japanese air attack in the Pacific, specifically at Pearl Harbor?

4. In what degree was there correlation between State Department intelligence and War and Navy Department instructions to field commanders?

5. What were the circumstances surrounding the selections of General Short and Admiral Kimmel for their commands, and what if any were their liaisons?

6. Why did the Army in Hawaii continue tolerant policies toward those Japanese in Hawaii whom the Navy wished to arrest for violation of the foreign agents registry law?

7. Why did the Navy shore officer fail to call for alert No. 3 after a two-man Japanese submarine was discovered and sunk shortly before the air attack?

8. Why was the Army command in Washington silent after receiving on November 29 General Short's report that he had only instituted alert No. 1, or, if it sent a correcting message before the new attack, what became of that message which is said never to have been received?

9. Why did Washington's orders to Pacific commanders concentrate on sabotage of airplanes on the ground; and why did they emphasize the Southwest Pacific as the point of possible attack when Mr. Hull had predicted simultaneous assaults everywhere in that ocean? Was this emphasis the explanation of what happened at Manila when the Navy was ordered away in time and General MacArthur kept his planes massed on Nichols Field?

10. In general, what is the share the Washington administration should have in culpability for the success of the Japanese attacks?

I say now that the only possible reason why the trial is being postponed is not the reason alleged, but is what the administration does not desire to have brought out, the answers to the questions which are posed by Mr. Arthur Krock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 31, 1944]
PEARL HARBOR ECHOES—KIMMEL'S RENEWED PLEA FOR HEARING SPOTLIGHTS QUESTION

(By Arthur Krock)

WASHINGTON, May 30—The request by Rear Admiral Husband E. Kimmel, renewed in his telegram yesterday to Senator HOMER FERGUSON, of Michigan, for an open court martial to inquire into the causes of the disaster at Pearl Harbor on December 7, 1941, is being echoed in Congress, as it was when previously made. And Maj. Gen. Walter C. Short, who commanded the Army forces in Hawaii at the time of the attack, is understood to take the same position as Admiral Kimmel, who commanded the Navy.

But if the administration and the highest military authorities again decline to order the trial on the ground that it would be against the interest of security, an attitude they have assumed for nearly 2½ years, the chances are against a congressional inquiry of Pearl Harbor to attempt to learn the whole story, which, as Admiral Kimmel telegraphed, was not told in the report of the Presidential Commission headed by Justice Owen J. Rob-

erts of the Supreme Court of the United States.

This is not because Congress does not agree with the admiral or has ever been convinced as a body that reasons of military security have required the postponement of the court martial so long.

It is because Congress hesitates to dispute the expressed judgment of the high command in such a matter, and also knows the President could legally sustain an order to the officers not to give testimony.

SOME QUESTIONS UNMENTIONED

The questions growing out of Pearl Harbor, however, which were either unmentioned in the Roberts report or left unclarified, will eventually be pressed by Congress if a court martial does not produce the answers. Among them are these:

1. Why was a fleet concentrated in the harbor waters in the presence of a crisis which the Secretary of State, Cordell Hull, had twice reported to the War Council—that included the Secretaries of War and Navy—and as much as 10 days before had described as requiring an alert against simultaneous Japanese attacks at several points "anywhere in the Pacific area"?

2. Why was the Pacific Fleet based on Hawaii instead of on the west coast of the United States?

3. Why were so many fleet units dispatched into the Atlantic before, after, and during the time when the Secretary of the Navy, the late Col. Frank Knox, was warning the Secretary of War, Henry L. Stimson, of a possible Japanese air attack in the Pacific, specifically at Pearl Harbor?

4. In what degree was there correlation between State Department intelligence and War and Navy Department instructions to field commanders?

5. What were the circumstances surrounding the selections of General Short and Admiral Kimmel for their commands, and what if any were their liaisons?

6. Why did the Army in Hawaii continue tolerant policies toward those Japanese in Hawaii whom the Navy wished to arrest for violation of the foreign agents registry law?

7. Why did the Navy shore officer fail to call for alert No. 3 after a two-man Japanese submarine was discovered and sunk shortly before the air attack?

8. Why was the Army command in Washington silent after receiving on November 29 General Short's report that he had only instituted alert No. 1, or, if it sent a correcting message before the new attack, what became of that message which is said never to have been received?

9. Why did Washington's orders to Pacific commanders concentrate on sabotage of airplanes on the ground; and why did they emphasize the Southwest Pacific as the point of possible attack when Mr. Hull had predicted simultaneous assaults everywhere in that ocean? Was this emphasis the explanation of what happened at Manila when the Navy was ordered away in time and General MacArthur kept his planes massed on Nichols Field?

10. In general, what is the share the Washington administration should have in culpability for the success of the Japanese attacks?

EMPHASIS ON PLANE SABOTAGE

Of these questions the light of explanation has been thrown on only one, and that unofficially. This question concerns the emphasis in the War Department messages to General Short on airplane sabotage, which could easily have led him to believe that his watchfulness should be directed groundward toward his equipment. In a dispatch published February 3, 1942, in this newspaper this correspondent, on information furnished privately by persons with knowledge of the events leading up to the tragedy, gave the following reason:

On November 27 G-2 (Army Intelligence), acting on a request from Gen. H. H. Arnold, warned all corps area commanders in the Pacific against subversive Japanese activities. To this General Short sent a prompt acknowledgment, which was addressed to the War Plans Division and arrived early on November 28. But for some reason war plans did not apprise G-2 of the receipt of this reply until late in the day.

Meanwhile, General Arnold, alarmed over G-2's report that no acknowledgment had come from General Short, arranged for two strong orders to be sent to all field commanders, directing them to be on the watch against saboteurs, especially of airplanes. These dispatches, because G-2 did not then know of General Short's reply to the original warning, failed to acknowledge that reply and concentrated on the sabotage alert instead of broadening the warning. That probably convinced him that airplane sabotage was his chief concern, particularly when subsequently he got no acknowledgment of an answer he sent to the second and third messages in which he outlined the precautions he had taken. This, said the Roberts report, tended to make him believe "he had met the requirements."

[From the New York Sun of June 3, 1944]

THESE DAYS

(By George Sokolsky)

THE KIMMEL CASE

Admiral Kimmel stands convicted, without trial, of cowardice and incompetence in the hearts and memories of the American people. He has never been given a chance to defend his honor or his integrity. He lives in the black cloud of being a despised person without ever having been given any opportunity even to state his case, much less to prove it. His family suffers with him the fate of a condemned man. Al Capone had a fair trial. Lepke had a fair trial. Loneragan had a fair trial. But Admiral Kimmel has been convicted and condemned without a trial. Every parent who has lost a son in this war remembers the name Kimmel. Yet the man has never been tried; his story has not been heard; he has not had his day in court. He has not been permitted to convince these parents that he is not to blame—if he is not to blame. That is not the American way. That is Hitler's way of doing things.

I do not know whether Admiral Kimmel is guilty or not. Nor do you. Nor does anyone. But this I know—he has been refused any opportunity to prove that he is not guilty. And I refuse to believe any American guilty of anything until he has been proved guilty by due process of the law. That is the foundation of American law. Even an indictment does not imply guilt. Nothing but conviction under the law proves guilt. Admiral Kimmel is entitled to due process of law. He has not had that. Must he wait for death or history to clear his name? Must his family live in that vale of tears?

Let no man be fooled by the claim that "national security" demands that Admiral Kimmel be refused a trial such as is given even the most unworthy felon. Whatever his crimes may have been, they were committed in December 1941. That is exactly 2 years and 6 months ago. The Japanese have surely discovered in the course of 2 years and 6 months the facts of Pearl Harbor. It is believable that they knew about them the day it happened. It is to be assumed that their planes photographed what happened on the day it happened and that their intelligence services have since supplied any missing information. National security cannot be the excuse for this prolonged delay in giving this man a chance to prove himself innocent or guilty. There may be some other reason, but it cannot be national security.

That cannot possibly be involved at this time or at this stage of the far eastern war.

Admiral Kimmel in a letter to Senator HOMER FERGUSON of Michigan makes statements concerning the Roberts report which need, for the sake of national morale, thorough ventilation. The implication is that the report was not the product of judicial procedures but was prepared politically. Those charges might be ignored were it not that the writer of that report is a Justice of the United States Supreme Court. At a time when that Court stands low in the estimation of most Americans, an accusation of nonjudicial procedure made against one of its members must be investigated fully and immediately. What is involved is not Mr. Justice Roberts but the morality of the Supreme Court, the integrity of our national judiciary.

No whitewashing, no wartime hysteria, no lying in public can prevent this issue from taking on a political character, particularly in a close national election, unless a public, open, fully reported hearing is held in this case. The railroading of Captain Dreyfus in France ultimately wrecked that country; the refusal of even a court martial for Admiral Kimmel and General Short—who have thus far been silent—provides this country with a Dreyfus case in time of war and in the midst of a national election. It is dangerous business—particularly among a people who have made a fetish of fair play.

Mr. HATCH. Mr. President, the Committee on the Judiciary considered this joint resolution most carefully and realized all the complicating legal and other questions involved. The subcommittee and the full committee were practically unanimous in agreeing that at this time about the only thing we could do would be to pass the pending joint resolution, extending the period of time.

The question of a congressional investigation was discussed in the committee. I am sure there was no member of the committee who sought or desired to cover up anything. The thought of a congressional investigation received favorable consideration in the committee. We even discussed the possibility of adding an amendment to the joint resolution now pending requiring a congressional investigation of all the incidents. But we realized that was a matter which should be considered by itself. The time was short. The reason for our asking that the matter be taken up and disposed of is that it was suggested that if a congressional investigation were proper—and it seems to be proper—an appropriate resolution calling for an investigation should be presented, so that it could be fully considered, and if necessary, and the Congress desired and thought it proper to have an investigation, then to have an investigation.

I repeat, in behalf of the committee, not a member of the committee desired to cover up anything or shield any person whatever. We met the legal situation and we made the recommendation unanimously from the committee that this joint resolution be passed.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the first committee amendment, on page 2, line 3.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 2, after line 5, it is proposed to strike out:

(2) The Secretary of War and the Secretary of the Navy are severally directed to institute court-martial proceedings on all charges against any person to whose court martial the extension of time provided for in section (1) hereof relates, as soon as possible, and in no event later than the period of extension provided for in section (1) hereof.

And to insert:

(2) The Secretary of War and the Secretary of the Navy are severally directed to proceed forthwith with an investigation into the facts surrounding the catastrophe described in (1) above, and thereafter in their discretion to commence such proceedings against such persons as the facts may justify.

Mr. WALSH of Massachusetts. Mr. President, I should like to ask the Senator from New Mexico a question. From what I have been able to learn about this case, there are two issues involved. So far as Short and Kimmel are concerned, the issue would be, what knowledge did they have, and what, if anything, did they fail to do which they should have done, in view of the knowledge they possessed? That is a real issue which could well be tried by a court martial.

From what I have further heard—and a good deal of it is rumor and not authenticated—the defense of these officers is that other persons had knowledge which, if they had possessed it, would have resulted in a different situation at Pearl Harbor, and that it was the failure of other persons, higher up in the chain of command to transmit knowledge which they possessed, that was largely responsible for conditions at Pearl Harbor.

If that is the situation, certainly we should not ask the Secretary of the Navy and the Secretary of War to investigate themselves, or to investigate their own Departments. It seems to me that sooner or later, if we are to know the whole story of Pearl Harbor, which the American people have a right to know sometime, that will have to be brought about by an investigation through some committees of the Congress.

Mr. HATCH. Mr. President, those were largely the sentiments expressed in our committee. There are many other considerations against either of these departments fully investigating itself, but the investigation authorized by the pending committee amendment is more in the nature of an investigation to secure the facts and to preserve and have ready for use the testimony.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 2, after line 5.

The amendment was agreed to.

The joint resolution (S. J. Res. 133) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That (1) effective as of December 7, 1943, all statutes, resolutions, laws, articles, and regulations affecting the possible prosecution of any person or persons, military or civil, connected with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, that operate to prevent the court martial or prosecution of any person

or persons in military or civil capacity, involved in any matter in connection with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, are hereby extended for a further period of 1 year, in addition to the extension provided for in Public Law 208, Seventy-eighth Congress.

(2) The Secretary of War and the Secretary of the Navy are severally directed to proceed forthwith with an investigation into the facts surrounding the catastrophe described in (1) above, and thereafter in their discretion to commence such proceeding against such persons as the facts may justify.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Pub. Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Pub. Law 729, 77th Cong.).

Mr. WAGNER. Mr. President, as chairman of the Committee on Banking and Currency, I wish to make a statement with respect to Senate bill 1764, which is now before the Senate. The bill amends the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, in a number of respects and extends their effective period until December 31, 1945.

In my opinion, no more important or, considering the difficult and novel problems involved, more successful wartime legislation has been passed by the Congress than these two acts. They have provided the statutory basis for the stabilization of our economy during a period of unprecedented strain. I am glad to state that there was agreement among the members of the committee, not only that the price control and stabilization acts have worked successfully and should be extended but—apart from the amendment relating to cotton textile prices which I shall discuss later—that they should be extended without substantial change.

NECESSITY FOR CONTINUING STABILIZATION PROGRAM

Mr. President, the first question before the committee was, of course, whether the stabilization program should be continued. On this point there was unanimous agreement, not only among members of the committee, but also among the witnesses who testified at the hearings. I will not, therefore, take up the time of the Senate with any further discussion of this point except to point out that inflationary pressures, both in terms of the excess of income over the quantity of goods and services available for purchase, and the amount of purchasing power held by civilians in liquid form, such as currency and bank deposits, are without precedent in our history. More important for the future is the fact that these pressures are still growing as the war effort reaches peak intensity. Resistance to these inflationary pressures must be maintained more vigorously than ever.

OPERATION OF THE PROGRAM

The cost of living has risen by a little more than 25 percent since the outbreak of the war in Europe. Most of this increase took place before January 1942,

when the Emergency Price Control Act became law. In the past two and a half years the increase has been only a little more than 10 percent. Since October 2, 1942, when the Stabilization Act was passed, the increase has been only 5 percent. And for the past year, in the face of the most extraordinary inflationary pressure, there has been practically no change in the cost of living. This is a notable record.

This stability has brought immeasurable benefits to all groups in the Nation: investors, pensioners, white-collar workers, professional people, people dependent on annuities or allotments, to schools, universities, and other institutions, and to Federal, State, and local governments. To protect them was one of the basic purposes of the act, and that purpose has been accomplished.

At the same time that the cost of living has been successfully stabilized, production has expanded enormously. While prices of industrial goods have risen only 22 percent above the August 1939 levels, the Federal Reserve Board's index of industrial production has risen 131 percent.

In agriculture the facts are equally striking when one takes into account the difficulties of increasing production. In the 4 years of World War No. 1 farm production rose 5 percent. Between 1939 and 1943 it rose 21 percent. In 1943 food production was at an all-time peak.

When the price-control legislation was first being considered, not only were there few who believed that a rise in the cost of living could be stopped, as it has been, but many thought it was not even possible to keep inflation down to moderate levels. Mr. President, these people have been proved wrong by the cold facts. We have stabilized. We have done it through wise legislation and vigorous administration.

A few voices can be heard arguing that the Government's program is only a minor factor in this success; that the fate of the legislation is not important; that success has been won mainly because consumers saved their money.

Now I certainly agree that the public has exercised great self-restraint in its spending. But can anyone suppose that if prices had not been controlled this same self-restraint would have been exercised? If the people had not known that their Government was acting to protect them, the initial price rises which we had would sooner or later have given rise to advance buying, which would have accelerated the price increases; that, in turn, would have resulted in still more consumer hoarding until buying would have reached levels that no one now dreams of. On the other hand, what we actually have is a situation in which people are confident that prices are being held and can continue to be held if Congress acts wisely. When they have that confidence, then and only then do they exercise self-restraint. The whole psychology of self-restraint, of willingness to invest in War bonds and to save in other forms, depends on the continuation of firm control. If the program were weakened and prices began to rise again, the enormous income

in the hands of the public might become active and there is no telling how rapid the rise would become.

ADMINISTRATION OF THE ACT

The agencies mainly affected by the present legislation are the Office of Economic Stabilization, the Office of Price Administration, the National War Labor Board, and the War Food Administration, all of which are concerned with the stabilization of prices, wages, and rents.

Of course, successful operation of the stabilization program requires not only wise legislation, which is what we are principally concerned with here, but also efficient administration of the law upon the part of the agencies concerned. In our hearings the heads of all of these agencies testified as to how they operate, what difficulties they have had, and how they are trying to solve them.

OFFICE OF PRICE ADMINISTRATION

In establishing price ceilings O. P. A. must carry out the intention of Congress to stabilize prices, so far as practicable, at the September 1942 level. At the same time the O. P. A. tries to keep its ceilings generally fair and equitable, and to make adjustments to correct gross inequities.

In determining whether or not increases should be permitted on an industry basis when costs rise, O. P. A. says to the industry: "We must carry out the intention of Congress to stabilize. Therefore, we cannot let every rise of costs result in a higher ceiling. If your over-all profits are above the normal peacetime level, and if you are also covering your out-of-pocket costs on this particular product, then you must absorb the rise in costs; we will not give you an increase. But if the rise of costs brings profits below the normal peacetime level, or if it brings the out-of-pocket costs of this particular product above the ceiling, we will give you an adjustment." Those who bear responsibility for the program testified that only by the application of such a standard could they carry out the mandate of Congress to prevent inflation.

Under this standard for industry-wide price adjustments, there are, of course, bound to be individual producers who fare badly. This is nothing new, however. Even in peacetime there have been producers whose profits have been low or who have lost money when the major part of their industry was operating successfully. It was certainly not the intention of Congress to give every producer a virtual guaranty of profits in an act designed to substitute governmental restraint for the forces of competition which protect the economy in peacetime. Nevertheless, increases are given to relieve hardship where that can be done consistently with the purposes of the law.

Business as a whole has prospered under price control, despite some individual hardships. Corporate profits, both before and after taxes, are at all-time high records. Business failures are lower than at any time in the half century for which we have records. Small independent stores are more than holding their own against chain stores and mail-order houses. Balances in the checking accounts of all unincorporated business increased by more than 60 percent in the

single year between June 30, 1942, and June 30, 1943.

The problems of administering the Price Control Act have been difficult and varied. Mr. Bowles, the Price Administrator, freely admitted to us that there had been many mistakes in the operation of the O. P. A., and that the operations of the agency have not been as smooth as they should have been. In this connection he pointed out the magnitude of the burden that faced O. P. A. in the first year and a half after Pearl Harbor. I am sure Senators will be impressed, as I was, when they review the tremendous number of problems that the agency had to meet. In the past year O. P. A. recognized the need for overhauling its administration; and Mr. Bowles listed a large number of changes that have been made with a view to improving operations.

One of the significant changes that Mr. Bowles has introduced is to make price-control operations more democratic. He has done this by decentralizing operations as much as possible, by transferring responsibility from Washington to the local areas as far as is consistent with maintaining a unified national policy. The O. P. A. has also greatly increased the extent of consultation with industry.

WAR LABOR BOARD

The wages and salaries of some 30,000,000 employees are subject to the control of the War Labor Board, and hundreds of thousands of establishments are affected by the program it administers. The Board has handled 300,000 applications for wage adjustments, requests for rulings, cases involving wage disputes, and the like, in the year and a quarter between the Stabilization Act and the end of 1943.

The wage stabilization policies under which the Board has operated have limited wage adjustments to workers whose pay is relatively low and to workers whose wages remained unchanged from January 1941 to October 1942. The basic hourly rates of more than three-fourths of the workers subject to the Board's jurisdiction have been unaltered through its actions. Proposed wage adjustments for more than a million workers have been denied by the Board. For workers whose wages have been adjusted, increases have averaged about 6.2 cents an hour for both voluntary cases and disputed cases involving wages.

Of course, many individual workers whose basic rates have not been adjusted have received increases in their total pay during the stabilization period since 1942. This increase in average earnings has reflected longer hours of work, the transfer of thousands of workers to higher paid jobs in the war industry, upgrading and promotions, and other factors which are outside the jurisdiction of the Board. These increases are to a great extent a necessary and desirable means of getting the great shifts of labor that the war economy requires.

War Labor Board wage actions are coordinated with O. P. A. price ceilings by an order from the Director of Economic Stabilization. This order provides that all wage adjustments made by

the Board which may affect price ceilings shall become effective only if also approved by him. Less than one-half of 1 percent of all of the wage cases acted upon by the Board through early in February of this year involved any price adjustment or increase in cost to the Government.

TESTIMONY OF THE ARMED SERVICES

The Secretary of War and the late Secretary of the Navy, whose recent death was a tragic blow to the country, both explained to the committee the vital stake that the armed forces have in the successful continuation of the stabilization program. Secretary Knox said that any failure or even weakening of the Price Control Act "would have serious and unpredictable consequences for the Navy during the critical period ahead." Secretary Stimson told us that weakening of the program might give false hopes about early termination of the war, and might disturb the morale of the civilian workers and the soldiers in the field, as well as of their families at home, and he warned that these things must be avoided.

Both expressed the opinion that the stabilization program has played a vital part in maintaining a high level of production of ships, planes, and other material. Let me quote directly what Secretary Knox said about the shipbuilding industry:

As you well know, the problem of securing manpower and regulating wages has been especially acute in the shipbuilding industry. The expansion of shipbuilding activity has required a great migration of workers from other areas. Higher earnings, due in part to long hours and steady work, have been one of the means by which this labor has been attracted. These higher earnings have in large measure balanced the cost of uprooting families and moving, and the disadvantages of life in congested communities lacking in facilities for normal life. Pressure to lift prices and rents around the shipyards has been particularly intense. Only the firmest control can resist these pressures. The levels to which rents and other living costs would soar if controls were relaxed in these congested areas is an alarming reflection, to say the least. Should living costs rise, we would find ourselves with a dissatisfied working force, and have the greatest difficulty holding this critical manpower. The turn-over is serious as it is.

Secretaries Knox and Stimson also emphasized that the stabilization program plays an important part in sustaining the morale of officers and men by protecting the millions of men in the services and their families. You may be surprised to hear that Army insurance alone reached a total of \$74,000,000,000 by the end of 1943. The real value of this insurance to the widows and other beneficiaries of those who give their lives is determined by what happens to prices.

Moreover, the families of servicemen are in greater or lesser degree dependent upon allotments. Concern about the folks back home is bound to mount with prolonged absence, even under the most favorable conditions. If I may quote Secretary Knox again:

Only effective price stabilization can protect these dependents and preserve the peace of mind of our fighting men. Any substantial rise in the cost of living, or even any

threat of such a rise, will soon be reflected in letters and news from home, with disconcerting effect on morale and spirit.

VIEWS OF THE PUBLIC

It is clear from what both Government and private witnesses said, not only that the stabilization program should be continued substantially in its present form, but that the agencies concerned with administering it are settling down to smoother operations.

I think these expressions of opinion are as striking evidence of the success of the program as one could find. Many private as well as Government witnesses, including representatives of such organizations as the Chamber of Commerce and the American Bankers Association, want the legislation continued with no basic changes. In fact, the President of the American Bankers Association, when asked if he had any amendments to propose, said, "We feel that there are possible dangers in opening up what seems to us a Pandora's box."

It is apparent that an overwhelming majority of the general public feels the same way. There is no question that the stabilization program now has the confidence of the people.

PROVISIONS OF THE BILL

During the course of the hearings a number of amendments were urged upon the committee. Most of the amendments that were suggested would compel the O. P. A. to grant general increases in prices or rents in order to relieve alleged hardship or inequity under the price and rent-control programs. In view of the generally high levels of prosperity prevailing among the various groups in our economy, it is clear that cases of actual hardship are the exception and not the rule. Adjustments in such cases may be made under the present stabilization policies and, if held within strict bounds, do not have any serious inflationary effect. However, the adoption of any proposals which would require general increases in ceiling prices or rents would undoubtedly precipitate pressures for additional increases all along the line and set in motion inflationary forces which would be impossible to control. The committee, therefore—and in my opinion, wisely—rejected most of the amendments suggested to it.

However, the committee has recommended a number of amendments which, I believe, will improve the existing law and which will substantially aid in removing grounds for complaints against the administration of the program without impeding its operation.

These amendments are discussed in detail in the committee's report, and I shall merely refer to them briefly at this point. I take it that later there will be more detailed discussion.

There has been considerable complaint that the procedures for protesting regulations issued by the Price Administrator, and for challenging the validity of the regulations in the courts, do not give the citizen adequate protection.

In the early days of price control many people unfamiliar with the provisions of the act lost their right to challenge the validity of a regulation by failing to file

a protest within the statutory period of 60 days. The bill, therefore, provides a new period of 60 days beginning July 1, 1944, during which protests may be filed with respect to all regulations issued prior to that date.

The present act provides, in section 203 (c), that protest proceedings may be limited by the Administrator to the filing of affidavits or other written evidence and the filing of briefs. In order to assure a protestant full consideration of his objections to a regulation and still leave to the Administrator sufficient flexibility in working out the details of the procedure, we have provided for the consideration of protests by a board of review to be designated by the Administrator. In the case of any protest filed after September 1, 1944, the protestant will have an opportunity to argue his case orally before such a board. The protestant will be informed of the recommendations of the board to the Administrator and, if the recommendations are rejected, of the reasons for such rejection.

The bill also provides a remedy in the event of unreasonable delay by the Price Administrator in the final disposition of a protest. In the event of such delay, the protestant may apply to the Emergency Court of Appeals for an order requiring the Administrator to act within a specified time.

Under the existing provisions of the Price Control Act, the Emergency Court of Appeals has exclusive jurisdiction, subject to review by the Supreme Court, to pass upon the eligibility of price and rent regulations. This jurisdiction may be exercised only when complaints are filed in the Emergency Court of Appeals following a denial by the Administrator of a protest against the regulation. It follows from this that when an action is instituted by the Administrator for the enforcement of a regulation the defendant may not challenge the validity of the regulation in that action. It has seemed to the committee that when these enforcement proceedings are of a criminal nature, the defendant should be given an opportunity to raise the question of the validity of the regulation he is charged with having violated if there is reasonable and substantial excuse for his having failed to challenge its validity by the only other method available to him—that is, through the protest procedure.

Section 107 of the bill provides the opportunity in a manner which will at the same time preserve the essential exclusive jurisdiction feature of the act and the effectiveness of the enforcement procedure upon which successful price control depends.

Section 205 (e) of the Emergency Price Control Act provides for actions for damages against sellers of commodities or landlords on account of overcharges in violation of the applicable maximum price or maximum rent. The liability under this subsection is either \$50 or treble the amount of the overcharge, whichever is the greater. The court has no discretion to fix a smaller amount, and if there are a series of overcharges, no matter how small the amount involved, the purchaser is entitled to recover a minimum of \$50 for each overcharge. Thus, a

roomer who is overcharged 50 cents a day for 10 days is entitled under the present law to recover \$500 from his landlord even though the aggregate amount of the overcharges is only \$5.

The bill provides that the purchaser may recover only one \$50 for all the overcharges which he has paid to a seller prior to the bringing of the suit. With respect to the treble-damage provision, the bill gives to the court the discretion to fix damages within the range between one and a half and three times the amount of the overcharge, subject, of course, to the \$50 minimum. The committee felt that the court should be permitted to assess something less than treble damages in cases in which violations occur unintentionally and despite the exercise of due diligence to prevent them.

The bill also strengthens the enforcement provisions by authorizing the Price Administrator to bring a suit for damages on behalf of the United States in situations in which the present statute authorizes suits only by the consumer. If the consumer does not bring his action within 30 days of the violation, the Administrator is permitted to institute the action. This procedure provides the Administrator with a quick and effective remedy for violations of a minor character and thus closes an important gap in the present system of enforcement sanctions.

Another amendment provides that after June 30, 1945, no subsidy may be paid unless the money required for it has been appropriated by Congress. This amendment does not prohibit the payment of subsidies, but it does provide that after the end of the coming fiscal year subsidies shall not be paid except out of money appropriated by Congress for that purpose.

Section 103 of the bill amends section 2 of the Price Control Act by prohibiting agencies and officers of the Government from imposing any conditions or penalties not authorized by the acts under which they are operating or by lawful regulations issued under such acts.

Section 3 (e) of the Emergency Price Control Act appears to require the Price Administrator to obtain the approval of the Secretary of Agriculture before he can institute a suit for damages or suspend a license with respect to an agricultural commodity, even though it is clear that no such approval is necessary for injunction suits or criminal proceedings. The bill amends section 3 (e) so as to make it clear that the Price Administrator may use any of the enforcement procedures authorized by the statute without obtaining the approval of the Secretary of Agriculture.

As an aid to effective enforcement, the bill contains an amendment authorizing the Price Administrator to purchase commodities to obtain information or evidence of violations of the regulations. Other law-enforcement agencies of the Government have this authority, and there is no reason why the Price Administrator should be hampered in this respect.

Title II of the bill continues, until December 31, 1945, the effective period

of the Stabilization Act of October 2, 1942, and provides for three other amendments to that act.

Section 201 of the bill—known as the Bankhead amendment—undertakes to provide a new formula for fixing ceiling prices for cotton textiles. I opposed the provision in committee. Together with the other members of the committee I have presented minority views with respect to it in the committee report. I was authorized by the committee to present those minority views, notwithstanding the fact that I was also, on behalf of the committee, presenting the committee report including favorable recommendations by the majority of the committee as to this amendment. While I expect to state my views as to this amendment later in the debate, I do not wish to discuss it at this time as it seems to me that the proponents of the amendment should first have an opportunity to explain it to the Senate and present their views relating to it.

Section 202 of the bill amends the Stabilization Act by providing that any agency provided for by the Railway Labor Act must, as a prerequisite to effecting or recommending a settlement of a wage dispute between employees and carriers, make a finding and certification that the settlement will be consistent with the standards in effect for the purpose of controlling inflationary tendencies. When such a finding is made the amendment provides that it shall be conclusive. The procedures of the Railway Labor Act have furnished an admirable method for the settlement of disputes and the maintenance of a rational wage structure in the railway industry. The agencies established under the Railway Labor Act for the consideration of wage disputes are best qualified, because of their intimate knowledge of the problems involved, to make conclusive determinations as to railway wage rates. This does not mean that railway employees are exempted from the Stabilization Act or the wage stabilization program. The amendment specifically provides that these employees and their employers and the agencies set up by the Railway Labor Act for settling wage disputes shall be bound by the wage stabilization program.

Section 204 of the bill increases the basic rate for Government loans on the basic commodities—cotton, corn, wheat, rice, tobacco, and peanuts—to 95 percent of the parity price. The present basic rate is 90 percent of the parity price. This section also increases the price which is to be supported by the Government for nonbasic agricultural commodities under the Steagall amendment from the present 90 percent to a new rate of 95 percent of the parity or comparable price. The new 95 percent rates provided for by this section will be effective until the end of the second year after the termination of hostilities in the present war.

In conclusion, I want to emphasize that the stabilization program is a vital part of the war effort, and that it must be prosecuted just as vigorously as other aspects of the war program. As the Price Control Act itself declares, economic stabilization is necessary to the

effective prosecution of the present war.

It is also a necessary part of the readjustment to peace. The problem of demobilizing the great war economy that we have built up will be difficult enough in any case, as we are all aware. If we permit any weakening of the stabilization program we may add difficulties of our own making to those we cannot escape, and release forces that will threaten the entire structure of our free society. Such a consequence can be avoided and the responsibility for avoiding it rests chiefly upon us.

The continuation of the stabilization program is a vital step in the discharge of that responsibility. I am confident that Senators will agree that the present legislation should be extended without substantial change.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from New York yield to the Senator from Nebraska?

Mr. WAGNER. I yield.

Mr. WHERRY. I may not have been in the Chamber when the Senator discussed some of the proposed amendments which he said were rejected by the committee. Does he recall the reason for not including in the committee amendments the so-called section 7 amendment which was offered by me, and which had to do with penalizing those alleged to have violated price directives which set maximum ceilings?

Mr. WAGNER. Did the amendment to which the Senator refers deal with the question of the district court?

Mr. WHERRY. No. The amendment reads as follows:

(g) No person shall be penalized for any sale heretofore or hereafter made of any agricultural commodity at a price which at the time and place of such sale was no higher than a price which would reflect to the producers of such agricultural commodity the prices required by section 3 of the act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes (Public Law 729, 77th Cong., approved October 2, 1942).

In the event a violation were charged it would be provided that in whatever court the action was brought the defendant could set up as a defense any right which he might have had under the Price Stabilization Act with reference to what the price of the commodity should be. The amendment would in no way increase the prices of commodities, but it might afford a defense in cases in which a maximum ceiling price, established by a directive was lower than the price the products should have brought under the Price Stabilization Act, section 3. Does the Senator recall what the position was with reference to that amendment?

Mr. WAGNER. That is the so-called Wherry amendment. The committee agreed to a part of it, which has been included.

Mr. WHERRY. It has been included in some of the procedural language, but the part to which I refer has to do with the court procedure. It permits the defense to be offered—

Mr. WAGNER. It permits the defense to be made in any Federal district court, and, as I recall, we wished to avoid that and have the matter dealt with by the Emergency Court of Appeals.

Mr. WHERRY. Each district court would handle the cases which might be brought within its jurisdiction. There would be a multiplicity of opinions from the Federal district court.

Mr. WAGNER. Yes.

Mr. WHERRY. In the event that the amendment were to be perfected by providing an appeal directly to the Emergency Court of Appeals under the new procedure, would the opposition to the amendment be satisfied?

Mr. WAGNER. I should prefer to consider that matter after the Senator offers the proposed amendment.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert—

Mr. WAGNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Reed
Ball	Green	Revercomb
Bankhead	Gurney	Reynolds
Barkley	Hatch	Robertson
Bilbo	Hawkes	Russell
Brooks	Hayden	Shipstead
Buck	Hill	Stewart
Burton	Holman	Taft
Bushfield	Jackson	Thomas, Idaho
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	La Follette	Truman
Caraway	Lucas	Tunnell
Chandler	McClellan	Tydings
Chavez	McFarland	Vandenberg
Clark, Mo.	McKellar	Wagner
Connally	Maloney	Wallgren
Cordon	Maybank	Walsh, Mass.
Danaher	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Murdock	Wheeler
Eastland	Nye	Wherry
Ellender	O'Daniel	White
Ferguson	Overton	Wiley
George	Pepper	Willis
Gerry	Radcliffe	Wilson

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from South Carolina [Mr. SMITH], and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senators from Nevada [Mr. McCARRAN] and Mr. SCRUGHAM] are absent on official business.

The Senator from North Carolina [Mr. BAILEY] is necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Vermont [Mr. AUSTIN], the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from North Dakota [Mr. LANGER], the Senator from Oklahoma [Mr.

MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The PRESIDING OFFICER. Seventy-five Senators having answered to their names, a quorum is present.

The clerk will state the committee amendment.

Mr. TAFT. Mr. President, with the approval of the Senator from New York, I should like to ask unanimous consent that the committee amendment be divided, and that each section of the bill be considered as a separate committee amendment, so that we can take up the amendments in an orderly way.

Mr. WAGNER. I thought I had made such a request.

Mr. TAFT. Apparently the clerks at the desk did not think so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

The clerk will state the first amendment of the committee.

The CHIEF CLERK. On page 1, after line 2, it is proposed to strike out:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended by the act of October 2, 1942, is hereby amended by striking out "June 30, 1944" and substituting "June 30, 1945."

SEC. 2. Section 6 of the act of October 2, 1942, is hereby amended by striking out "June 30, 1944" and substituting "June 30, 1945."

And to insert:

That this act may be cited as the "Stabilization Extension Act of 1944."

The amendment was agreed to.

The next amendment was, on page 2, after line 4, to insert:

TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

TERMINATION DATE

SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1944," and substituting "December 31, 1945."

The amendment was agreed to.

The next amendment was, on page 2, after line 10, to insert:

APPROPRIATION REQUIRED FOR SUBSIDIES

SEC. 102. Section 2 (e) of such act is amended by adding at the end thereof the following new paragraph:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

Mr. TAFT. Has the amendment to section 101 been agreed to?

The PRESIDING OFFICER. That amendment has been agreed to.

Mr. WAGNER. I understood that the senior Senator from Connecticut desired to discuss the amendment to section 102. I do not see him present in the Chamber at this time, and I suggest that the amendment be temporarily laid aside until he arrives.

The PRESIDING OFFICER. Without objection, the amendment will be passed over, and the clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 2, after line 21, it is proposed to insert the following:

UNAUTHORIZED CONDITIONS OR PENALTIES

SEC. 103. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the act or acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

Mr. ELLENDER. May we have an explanation of the amendment?

Mr. WAGNER. Mr. President, the amendment prohibits agencies and officers of the Government, in the payment of sums authorized by acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of such commodities, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, from imposing any conditions or penalties not authorized by the acts under which the activities concerned are conducted or by lawful regulations issued under such acts. Any person aggrieved by the failure of any agency or officer of the Government to comply with the requirements of this amendment is authorized to petition the district court of the district in which he resides or has his place of business for an order or declaratory judgment to determine whether the requirements of the section are being complied with; and the court is authorized to grant appropriate relief.

Mr. ELLENDER. Are we to understand that penalties were enforced which were not provided for in the law itself?

Mr. WAGNER. No; as I understand, this amendment limits the penalties involved to the particular instances.

Mr. ELLENDER. I understand that, and that is the extent to which I thought penalties were imposed; that is, penalties that are sanctioned by the law.

Mr. WAGNER. I thought so, too, but the complaint has been made that other penalties were imposed in some of these actions. Actually there was no evidence

before our committee, but there was a statement that some of these other requirements had been imposed, and this would make the entire question certain.

Mr. ELLENDER. I understand.

Mr. TAFT. Perhaps I can give an example of what the committee was trying to reach, through citing an order issued by the War Food Administration as to dairy products. They provide for various milk arrangements, pools, and other things, under the War Food Administrator. This amendment does not relate particularly to the Price Administration. The Price Administrator had no objection, because he said he was not using other penalties, anyway. It has more to do with the question of the War Food Administrator's actions.

I read a section of the regulations of the War Food Administrator relating to the milk order:

Violations. The War Food Administrator may suspend, revoke, or reduce the quota of any person who violates any provision of this order, may prohibit by order such person from receiving, or using milk, cream, or any other material subject to priority or allocation control by the War Food Administrator.

In other words, they are saying, "If you do not do this particular thing, we will take away the priorities which are given to you through the War Food Administrator," and they recommend that "such person be prohibited from receiving, making any deliveries of, or using materials subject to the priority or allocation control of other governmental agencies. In addition, any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws," and civil action may be instituted.

In other words, the purpose of the amendment is to prevent the enforcement of one act by threatening penalties under another act. The War Food Administrator could proceed under the statute which regulates him, but he would have to confine himself to the penalties provided in the act. He could not call on the Price Administrator and say, "Go after this fellow and take his license away for something he did in violation of our act," and threaten him with that action as a result of his alleged violation of the War Food Administration Act.

Mr. ELLENDER. I am in thorough agreement with the proposition that no agency, be it O. P. A. or any other, should provide any penalty that is not prescribed in the law.

Mr. TAFT. That is all this amendment is intended to cover.

Mr. ELLENDER. Did the committee obtain any evidence of any cases in which penalties were imposed which were not provided for in the law?

Mr. TAFT. As I recall, those interested in farming told us of some cases. They specifically produced the order I have read, Order FDO 79, of the War Food Administration, issued September 7, 1943. On its face it threatens any man who does not abide by it with having his gasoline cut off, we will say, or having some other weapon used in an attempt to make him come in under the order. As a matter of fact, this particu-

lar order was taken to court, and the District Court held later on that the provision for assessment of the cost was a tax which could not be imposed by regulation, and the court knocked out the order. But in the meantime the people concerned were threatened with having their gasoline taken away and having all sorts of other measures used against them. I happen to know that. I do not know whether that case was placed in the record of the hearings, but this was an actual case where such a thing was being done. As a matter of fact, it is being done in other fields, such as the war manpower field. The War Manpower Commission is proposing to enforce its orders entirely by threatening those who fail to obey with some penalty from the War Production Board, for instance, the cutting off of their supplies of material. I do not want to pass on that question, and the amendment does not cover anything outside the sale of agricultural commodities or things processed therefrom.

Mr. President, I do not believe that when they seriously think the matter over any officials will want to do such a thing. Certainly the Price Administration said frankly, "We do not do this and we do not want to do it."

Mr. MURDOCK. Mr. President—

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Ohio yield to the Senator from Utah?

Mr. TAFT. I yield.

Mr. MURDOCK. There was no evidence produced before the committee at all, was there, which indicated that the Office of Price Administration had engaged in any of the procedures which are prohibited by this amendment?

Mr. TAFT. I think the Senator is entirely correct. The entire criticism, as I remember, was of the War Food Administration and the control of dairy products.

Mr. MURDOCK. I should like to propound another question to the Senator from Ohio. Is it not true that the other agencies which would be affected by the amendment were not given an opportunity to come forward and explain the effect such an amendment might have on their operations?

Mr. TAFT. I have no doubt they had been fully advised of it. We did not refuse a hearing to any of them. I think we suggested to the Price Administrator that if he thought they would be embarrassed, or had objections, they could come before the committee. We were quite willing to hear from them.

Mr. MURDOCK. I am sure of that, but, as I recall the situation, although we would have heard them, the other agencies were not called in, and, as I understand the record, there is very little in it that has any bearing on the pending amendment. I cannot see any particular objection to it, but I feel that it is hardly appropriate in the pending bill when there is absolutely no evidence that the Office of Price Administration has ever engaged in these practices. It seems to me that before we adopt an amendment of this character we should have some evidence as to what the ramifi-

cations and effects of such an amendment would be on other agencies.

Mr. ELLENDER. Mr. President, I have no desire to oppose the amendment. As has been said, it seems perfectly harmless, but I think the amendment is entirely out of place, and it demonstrates a poor method of legislating. It sounds like an appeasement amendment. We are saying in effect that a Government agency shall not impose conditions or penalties which are not authorized by the act. The law now provides what penalties may be imposed, and it strikes me that that ought to be sufficient. Does anyone contend that penalties not provided by law could be enforced? On the other hand, the evidence shows that O. P. A. has not attempted to impose such penalties as were not provided in the law, and I repeat, the amendment is entirely out of order and out of place.

Mr. TAFT. Mr. President, there was some discussion of the fact that no evidence was presented. I merely wish to call attention to the fact that on page 464 of the record appears the statement of Mr. Holman, the head of the Cooperative Dairy Association. His statement sets out for a page or two his arguments in favor of this amendment. He said:

The third type of abuse which needs to be corrected in this bill and generally comes directly into our operations, I call regulations to police other regulations.

He gave the case of the kind of affidavit which has to be signed by anyone who obtains a subsidy under the milk order, for instance. At the end of the statement which is presented to every man applying for subsidies for milk—which means approximately 3,000,000 farmers—there appears the statement: "Hereby swears"—and so forth—"that he is in full compliance with all applicable food distribution orders issued by the Secretary of Agriculture or the War Food Administrator of the United States."

In other words, the two are linked together, and it is rather difficult to separate them.

I think the correction of an abuse dealing with food products and the War Food Administrator is perfectly germane to this bill. After all, the War Food Administrator also derives many of his powers from the Price Control Act, and there have been transferred to him powers given by the Price Control Act to the Secretary of Agriculture. So, inasmuch as this amendment deals only with agricultural commodities and articles processed from agricultural commodities, I do not think the Senator should say that we should not deal with abuses in the War Food Administration or matters which we think should be corrected, merely because the bill deals primarily with the Price Administrator. The renewal of the Price Control Act and the Stabilization Act covers not only prices, but wage-fixing provisions and powers of the War Food Administrator conferred by the Price Control Act or conferred on the Secretary of Agriculture and transferred by Executive order to the War Food Administrator. I think we are justified in dealing with matters which have

to do with things covered by the price administration law.

Mr. ELLENDER. Mr. President, I read on pages 2 and 3 of the pending bill, beginning in line 25, under subsection (k), the following language:

No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other acts of Congress relating to the production or sale of agricultural commodities—

And so forth. Will the Senator state whether this amendment would apply solely to the operations of the Stabilization Act and the Price Control Act, as amended?

Mr. TAFT. I think it might also cover the Commodity Credit Corporation, because it says "in the payment of sums authorized by this or other acts of Congress." That might include a subsidy. In other words, it is said, "If you are going to pay subsidies you should pay subsidies. You should not require that before a man receives a subsidy he must come in and prove that he is not violating any of hundreds of other regulations which might apply to him." That is one thing.

Then, following that in the amendment, we find the provision—

Or in contracts for the purchase of any such commodities by the Government or any department or agency thereof.

In other words, we forbid the imposing of certain other conditions dealing with price control or other matters as a condition of getting a contract.

Third, the amendment provides—
or in any allocation of materials or facilities.

In other words, cutting off gasoline.

Mr. ELLENDER. Has the Senator any idea whether other agencies than those mentioned by him may be affected by this provision?

Mr. TAFT. I do not think of any others it would affect except the Commodity Credit Corporation, the O. P. A., and the War Food Administrator, and the R. F. C., in acting as agent for the O. P. A.

I think the amendment is entirely proper.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on pages 2 and 3, inserting a new section 103.

The amendment was agreed to.

NAVAL APPROPRIATIONS—CONFERENCE REPORT

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. OVERTON. Mr. President, I submit a conference report on House bill 4559, the bill making appropriations for the Navy Department.

The PRESIDING OFFICER (Mr. HILL in the chair). The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, having met, after full and free conference, have agreed to

recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6 and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 7, 11, 12, 13, and 15, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: On page 54 of the bill, in line 18, strike out the numerals "1943" and insert in lieu thereof "1944"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 5, 8, 9, 16, and 17.

JOHN H. OVERTON,
ELMER THOMAS,
THEODORE FRANCIS GREEN,
RUFUS C. HOLMAN,
STYLES BRIDGES,

Managers on the part of the Senate.

HARRY R. SHEPPARD,
ALBERT THOMAS,
JOHN M. COFFEE,
JAMIE L. WHITTEN,
CHARLES A. PLUMLEY,
NOBLE J. JOHNSON,
WALTER C. PLOESER,

Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report.

There being no objection, the report was considered and agreed to.

Mr. OVERTON. I ask that the Chair lay before the Senate the message from the House of Representatives.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4559, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 1, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 17 to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 1 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert: "\$42,437,298: *Provided*, That the whole of the appropriation 'Aviation, Navy, 1942' shall remain available until June 30, 1945, for the payment of obligations incurred under contracts executed prior to June 30, 1942, the provision in the appropriation 'Aviation, Navy,' contained in this act to the contrary notwithstanding."

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"NAVAL PROCUREMENT FUND"

"The Secretary of the Treasury is authorized and directed, prior to July 1, 1944, upon the request of the Secretary of the Navy, to transfer \$1,000,000 from the naval emergency fund (17X0300) to the naval procurement fund (Public Law 653, approved July 3, 1942) and advances by check or warrant and reimbursements to the naval procurement fund from naval appropriations may be made on the basis of the estimated cost of a project without further accounting distribution of

expenditures to the individual appropriations involved: *Provided*, That the naval procurement fund shall not be employed beyond the duration of the present wars except to liquidate obligations incurred prior to the termination of such wars."

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"SEC. 121. The authority contained in section 103 of the Second Supplemental National Defense Appropriation Act, 1943, is hereby extended to and made applicable to the appropriations for the naval service made subsequent to such act and contained in this act without any increase in the amount limitation fixed in such section: *Provided*, That 'information and services' authorized to be rendered by the act of March 11, 1941 (Public, 11), need not be connected with the procurement or disposition of any defense article."

That the House insist upon its disagreement to the amendments of the Senate numbered 8 and 9 to said bill.

Mr. OVERTON. I move that the Senate agree to the amendments of the House to the amendments of the Senate Nos. 1, 5, and 16.

Mr. WHITE. With respect to those amendments or to those portions of the report in which there has been agreement, were the minority conferees in agreement with the majority?

Mr. OVERTON. Does the Senator mean with reference to the amendment of the House which has already been agreed to? The House made a very slight modification to the Senate amendments numbered 1, 5, and 16.

Mr. WHITE. Does the Senator move that the Senate concur in the House amendments to the Senate amendments?

Mr. OVERTON. Yes, the House amendments to Senate amendments numbered 1, 5, and 16. I shall then move that the Senate insist upon its amendments numbered 8 and 9, and ask for further conference thereon.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. OVERTON. I now move that the Senate insist on its amendments numbered 8 and 9, and ask for a further conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Presiding Officer appointed Mr. OVERTON, Mr. GLASS, Mr. THOMAS of Oklahoma, Mr. GREEN, Mr. WALSH of Massachusetts, Mr. HOLMAN, Mr. BRIDGES, and Mr. BROOKS conferees on the part of the Senate at the further conference.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed the consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.), as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

The PRESIDING OFFICER (Mr. HATCH in the Chair). The next amendment of the committee will be stated.

The next amendment of the committee was, on page 4, line 1, to insert a new section 104, as follows:

ENFORCEMENT AUTHORIZATION

SEC. 104. Section 3 (e) of such act is amended by striking out "(a) and (b)."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 4, line 4, to insert a new section 105, as follows:

EXPENDITURES BY THE ADMINISTRATOR

SEC. 105. Section 201 (c) of such act is amended to read as follows:

"(e) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this act. The provisions of section 3709 of the Revised Statute shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 4, line 19, to insert a new section 106, as follows:

PROTEST PROCEDURE

SEC. 106. (a) The first sentence of section 203 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "Within a period of 60 days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within a period of 60 days after the effective date thereof specified in section 206), or within a period of 60 days after June 30, 1944, whichever is later, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections."

(b) Section 203 (c) of such act is amended by inserting before the period at the end thereof a colon and the following: "Provided, however, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection."

(c) Section 203 of such act is further amended by adding at the end thereof the following new subsection:

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

Mr. WAGNER. Mr. President, I see that the senior Senator from Connecticut [Mr. MALONEY] has now entered the Chamber. I ask unanimous consent that the Senate return to the consideration of section 102, which was temporarily laid aside.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, beginning in line 11, it is proposed to insert a new section, as follows:

APPROPRIATION REQUIRED FOR SUBSIDIES

SEC. 102. Section 2 (a) of such act is amended by adding at the end thereof the following new paragraph:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment inserting a new section 102, on page 2.

Mr. MALONEY. Mr. President, because this subject has been discussed time and again during the past 2 years, I shall not now talk about it at length. I wish, however, to register my protest, and to express the hope that the amendment will be rejected.

None of us can tell what the situation may be a year from now. The amendment is another attempt to do away with food subsidies. I am among the Senators who deplore the need for food subsidies, but I am very fearful that if the amendment is adopted we may find ourselves 1 year hence in even a more serious situation. We may find ourselves faced with appeals for new and extensive subsidies. We may be asked by groups throughout the country to provide large sums of money for subsidies to industries, to products, or to produce which we have never considered in connection with the subsidy program. I think it would be a very serious mistake to take away from the Office of Price Administration a subject which it has, through long experience, learned much about, and in effect turn the entire matter back to a Congress which cannot be so well informed as is the Office of Price Administration.

We have gone through very serious and troublesome times since the beginning of the O. P. A. There were, as might be expected with a new program of this sort, very serious mistakes in the beginning. The Office of Price Administration was guilty of many errors and, I think, blunders. But over the years the people of the country have come to a better understanding of the aims and purposes of the O. P. A. The O. P. A. itself has come to a better understanding of the problem. With the passing of the years, it has overcome the mistakes. If, now, as we, I hope and pray, approach the end of the war, we adopt the amendment, we shall, in my judgment, by so doing, be abandoning the experience of the Office of Price Administration, and telling them that henceforth, as of the date provided herein, the Congress will alone make the decisions insofar as subsidies are concerned, and we may be overwhelmed by subsidy demands the like of which we cannot now anticipate.

I do not see anything to be gained by the adoption of this amendment at this particular time. I think we might very well let a well-functioning and now highly regarded Office of Price Administration continue with its program for the next year. If we should adopt the amendment, we might create a situation which could be dangerous a year hence. Let me repeat, there is no profit in it now. There is nothing to be gained at this time. I appeal to Senators to set this amendment aside for a year, when, in the light of the circumstances at that time, we can better determine whether or not we wish to abandon completely the experience of the Office of Price Administration. At that time we might determine that it would be best to act upon the advice and suggestions of an organization which has come to have the approval, and in many instances the applause, of the American people.

I hope the amendment will be rejected.

Mr. TAFT. Mr. President, the Senator from Connecticut, for whose judgment I have the highest respect, entirely misstates the issue involved in this amendment. The issue is not whether we shall continue subsidies or not. The issue is, Shall Congress hold the purse strings and determine what money shall be spent by the United States Government? Today we have in effect a program which is spending the taxpayers' money at the rate of \$1,500,000,000 a year, without a single appropriation by Congress—in fact, contrary to the expressed will of Congress, as embodied in the law which was enacted.

Mr. MALONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Connecticut?

Mr. TAFT. I yield.

Mr. MALONEY. I should like to point out to the distinguished Senator from Ohio that we are operating on this basis because of the opposition which arose when a proposal was made to appropriate one and a half billion dollars. There was an unwillingness on the part of the Congress to appropriate sufficiently for food subsidies.

Mr. TAFT. So I understand the Senator to say that he is in favor of the administration spending money whenever Congress refuses to appropriate it. He is in favor of the administration finding some other way of getting the money. That absolutely strikes at the very basis of constitutional government in this country. It strikes at the basis on which Anglo-Saxon legislative bodies have retained control over the purse strings during all these centuries.

Mr. MALONEY. Mr. President, I hope the Senator from Ohio will yield to me long enough to permit me to say that I did not make myself understood by him. As a matter of fact, I offered an amendment which provided that the Congress should appropriate the money, but the resistance to the amendment was sufficient to overcome it, and we found ourselves in the midst of a war, with a program under way and our hands tied. It seemed to me that there were powers in the hands of the executive department to provide sufficient money to continue the program; and, rather than have chaos, I favored that procedure.

Mr. TAFT. Again, Mr. President, this is not an amendment to end subsidies. What will happen under this amendment after the new Congress is elected? After an election held by the people of this country someone will come before Congress with a request for an appropriation. It may be for one and a half billion dollars. It may be for less. Sooner or later subsidies will have to be tapered off. I believe that Congress is perfectly capable of considering the question. I believe that the sentiment in Congress in favor of subsidies is greater than it was at that time. It seems to me absolutely illogical to say that nothing Congress can do now can prevent or in any way affect the subsidy program in 1945, and the spending of one and a half billion dollars if the President chooses to veto any bill which we might pass.

The only purpose of this amendment is to return to Congress the power over the purse strings. We fought out the subsidy question for this year. We permitted the continuation of the program on a certain basis. But it seems to me vitally important that never again shall a Government corporation which is given money for one purpose, for purchase and sale, which may or may not involve loss, but which was not intended to involve loss, pay out the money in cash, just as an appropriation for subsidies would be paid out. Money which was never given to those corporations for that purpose is gone forever. It seems to me fundamental that the Congress insist, when it comes to a program for spending money, that only money appropriated by Congress shall be spent. That is the only purpose of the amendment.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MALONEY. I think I am in accord with the views of the Senator from Ohio. I have, to a considerable extent, joined with him as we have considered stabilization legislation during the years. I am inclined to think that I would agree

with him a year hence; but I think we should wait until that time comes before legislating on this phase of the subject. All I am asking is that we set this question aside until that time.

Mr. TAFT. The reason for placing the amendment in the bill is this: The authority to pay subsidies—at least roll-back subsidies—is contained in the bill. That authority will expire on the 1st of July. Section 2 (e) of the act provides as follows:

(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof.

This is the authority, and we are now asked to extend that authority. I think any Senator who might have read the provisions of the act at the time it was enacted would have said that that was not intended to be authority to the Administrator to go ahead by himself. It was always intended that the authority should be implemented by appropriations, as authorization acts are always implemented by appropriations.

The reason why this condition arose was that there was a further provision. When we wrote this law we found that subsidies were already being paid. The act covered commodities other than food. For example, it covered copper. The Reconstruction Finance Corporation was paying subsidies on copper at that time. At least, if it was not paying subsidies, it was purchasing copper at different prices from various producers of copper. So the following proviso was added:

Provided, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President.

The President issued an order finding that beef, butter, and coffee were strategic and critical materials. Whether or not that was legal, it certainly was not the intention of the Congress when it enacted the law. It was very clearly intended that the authority to make subsidy payments should be subject to such conditions as the usual authorization act is subject to; that is, that the Congress should make the appropriations. Such appropriations were never requested, and were never made. The Reconstruction Finance Corporation was then used as a means of carrying out the program.

All this amendment would do would be to restore the condition to what was originally intended. We are now asked to authorize the Price Administrator to continue the payment of subsidies. That

is what the extension of the O. P. A. would mean. It would authorize the Price Administrator to continue to pay subsidies. All the amendment would do would be to say that such subsidies should be conditioned upon appropriations by Congress, as we originally intended. It seems to me that that must be the effect. Otherwise, we should be saying, in effect, "All R. F. C. money hereafter may be used to pay subsidies in any amount that the President may see fit to indicate."

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. In order to remove the apprehension entertained by the distinguished Senator from Connecticut [Mr. MALONEY], would the Senator agree to change the date in line 10, on page 2, of the bill from December 31 to June 30, 1945? By so doing the question of whether or not subsidies should be continued under present conditions could be disposed of should it become necessary to extend the act next year. As I understand, section 101, which would extend the act for 18 months, has already been adopted.

Mr. TAFT. That is correct; but the subsidy amendment would take effect after June 30, 1945, for the next fiscal year. Whether the next administration is to be Republican or Democratic, I believe that it ought to come to Congress, if it is to spend any amount approximating one and a half billion dollars on subsidies or anything else.

Mr. ELLENDER. My idea is to extend the act for 1 year instead of a year and a half, so that when and if the act is extended a year hence, the question of subsidies can be considered in connection with the extension of the act, as I have just indicated.

Mr. TAFT. I rather favor the extension of the act for a period of 18 months, because it seems to me that otherwise it would come back to us very soon. It seems to me that on the whole it would be better to end the act at the end of a calendar year. We might possibly be in a position of not renewing it at all. I am sure we shall have to renew it on June 30, because most of these matters run on the basis of a crop year, and prices have to be fixed according to the year. While this language provides that application for subsidies must be made before June 30, the truth is that the Administrator will have to make up his mind as to a subsidy program immediately after the 1st of January next year, I should say, and come to Congress and state what subsidies he thinks should be determined upon.

Mr. President, I may be making more of this matter than is necessary, because it may be that the Commodity Credit Corporation and the R. F. C. will run out of money by next January 1. I do not know; but it is entirely conceivable that they may run out of money by then. The Commodity Credit Corporation, at least, may run out of money by that time. However, it seems to me that any administration, in making up its budget for the calendar year beginning July 1, 1945, would wish to come to Congress and ask

it to approve the budget, including the amount needed for subsidies, as well as for every other expenditure of the Government. Why should the amount involved in this instance alone be exempted from Congressional appropriation?

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MALONEY. I should like to ask the Senator from Ohio if it is not true that, in the event the Senator's amendment prevails, and if money is not appropriated for food subsidies as of June 30, 1945, the Office of Price Administration may then be a hollow shell and have no power?

Mr. TAFT. It would have no power to pay subsidies. If Congress believes that no subsidies should be paid after July 1, 1945, I do not believe they should be paid. I have the same feeling with regard to every other public policy. This is not a unique idea. I am merely trying to line up the subsidy program with every other program of the Government.

Mr. MALONEY. I am inclined to agree with the Senator, as he knows. But why does the Senator wish to take action now which will become effective 6 months before the expiration of the act?

Mr. TAFT. Unless we are committed to subsidies it is almost impossible to stop them within 6 months. Certain obligations have been entered into, and it is therefore necessary to continue them. As a matter of fact, Congress could not possibly end subsidies today. It has lost all interest in doing so because subsidies have reached such a point, and have become of such vital interest in the minds of many persons, that if an attempt were to be made even to get rid of them it would have to be done very gradually. I believe that Congress would take that point of view with regard to the situation. However, I may say frankly that if Congress does not wish to have subsidies I do not believe, now that we are asked for a renewal of power, that we should leave ourselves in a helpless position. Congress should not be left in such a position that the President, after vetoing a bill which Congress had passed, could continue to pay subsidies against the opinion of the majority of Congress.

Mr. MALONEY. Allow me to ask the Senator from Ohio a question. Suppose that we leave this amendment out of the bill; in the normal course of events will we not consider the question of appropriating for food subsidies?

Mr. TAFT. No. If we wish to provide for subsidies in 1945 we shall have to pass another bill. That bill might well again be vetoed by the Executive, in which event nothing more could be done. No appropriations are required. Subsidies can be paid out of R. F. C. billions for an indefinite period with no control exercised by Congress.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. The fact remains, does it not, that the act will be in force for 18 months if the renewal provision is agreed to by the House, and the only reason for coming back to Congress on June 30, 1945, would be to obtain

appropriations in order to continue the subsidy program for 6 months? Is that not true?

Mr. TAFT. Originally I had a proposal drawn so that the subsidies would end on December 31, 1944. It was pointed out that it would not afford sufficient time to this Congress; that after all it was better to postpone the question for consideration of the new Congress. However, a program should be presented 5 or 6 months before the date upon which subsidies will actually end. In effect, this language provides that if subsidies are desired in 1945, the proper officials must come to the next Congress by the 1st of January 1945 and say, in effect, "Here is the program which we recommend."

Mr. ELLENDER. Will the Senator venture an opinion as to what would have happened to the subsidy program if such a proposal had been in the Price Control Act of last year? That is, if subsidies were to depend on appropriations from Congress 6 months before the act expired?

Mr. TAFT. I cannot speak for the House of Representatives. I believe that in this House we would have appropriated a very fair sum of money. We perhaps would not have appropriated all the money that was asked for, but there are some subsidies which I think are not justified. I think some subsidies are justified, and I believe that an appropriation of a reasonable sum would have been made.

Mr. ELLENDER. My guess is that all subsidies would have been thrown out the window.

Mr. TAFT. If they had been, I think it would have been better than what was done. I may be in error and the Senator may be in error. I am not disputing the question. I say that Congress is the body which should determine the question of a spending program involving a billion and a half dollars.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, after line 10.

Mr. BARKLEY. Mr. President, I wish to make a few brief remarks concerning this matter.

I was unavoidably absent from the city at the time the committee acted on the amendment. If I had been present in the committee I should have voted against it.

I had understood that in an informal way we had agreed in the committee to avoid a revival of the subject of subsidies in connection with this bill. I know that the Senator from Alabama [Mr. BANKHEAD], who has therefore been interested in legislation pertaining to the Commodity Credit Corporation, was interested in the matter. He felt, and so advised many of those who cooperated with him, especially on agricultural matters, that subsidy matters should not be injected into this bill.

This is largely a bill to extend for 1 year, as it was first introduced, and now for a year and a half as amended, the O. P. A. and the Stabilization Acts.

Mr. BANKHEAD. The Senator is correct. I believe it was agreed that there would not be injected any subsidy fight in the consideration of this bill.

Mr. BARKLEY. I understand the Senator was very cooperative in trying to avoid any subsidy fight on the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Besides continuing the O. P. A., this bill would continue the right to pay subsidies. We are now asked to extend such power, which would otherwise expire, and that is the reason for raising the question of the commodities to which the extension would be applicable.

Mr. BARKLEY. We have had two fights in Congress over the question of subsidies in connection with the extension of the Commodity Credit Corporation. The Commodity Credit Corporation will expire, as I recall, on the 30th of next June. It seems to me that when the act is about to expire at the end of the fiscal year, the beginning of the next fiscal year would be a more appropriate time to deal with the question of subsidies than the present time.

Mr. TAFT. As a matter of information, of a billion-and-a-half-dollar program—I speak very roughly as I do not have the exact figures before me—about half of the money is paid by the Commodity Credit Corporation but the other half is paid under the act which we are asked to renew. All the roll-backs and really controversial subjects arise under this act.

Mr. BARKLEY. Practically no roll-back subsidies are being paid in the real sense of the word.

Mr. TAFT. The so-called roll-back subsidies are being paid.

Mr. BARKLEY. The payments are about half and half. They do not change the situation. At the end of the fiscal year beginning the 1st of July, as contemplated in the Senator's amendment, Congress can prohibit, if it desires to do so, and if the situation justifies, the continuation of subsidies beyond the 1st of July 1945.

Of course, Congress can deal with it in one of several ways: It can prohibit subsidies at the time, or it can now say that they shall not be paid after that time, or Congress can continue the Commodity Credit Corporation, under which half of them are being paid, and prohibit the further payment of subsidies in another continuation of the Commodity Credit Corporation, or it can do what is now asked by the Senator from Ohio, and say a year in advance that, in order to pay any additional subsidies either under the Commodity Credit Corporation or the R. F. C. or any other agency, it will be necessary to have another fight on the floor of both Houses as to how much shall be paid.

Notwithstanding the controversy that arose around subsidies, I think it is fair to say that the people of the country are reasonably satisfied with that program and the farmers themselves are reasonably satisfied with it. If we cut them off either at the beginning of the next fiscal year or at any other time, we know what is going to happen. There will be a demand for an increase in the price of farm products, and the farmers will be en-

titled to it. There will be no answer to the proposition that if the subsidy is to be cut off on milk or any other commodity the farmers are going to ask, and will be entitled to receive, an increase in the price they receive at the market. There is no way to avoid that. Subsidies were instituted in order that the farmer could get what he was entitled to for his product and at the same time not result in an increase in the cost of living to the consumer. The country at large is operating under this system with fair satisfaction, I think, with some exceptions in some communities. I think the farmers themselves are satisfied with it. Certainly they would be greatly dissatisfied if subsidies were cut off and they would have to depend then upon market conditions, which might not be as favorable then as they are now, in order to obtain what they are now receiving, including the market price plus the subsidy. So I do not think there is now any great dissatisfaction among any large number of people over subsidies. I think that there is more dissatisfaction in Congress than in the country at large.

Mr. TAFT. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I am not raising the question of subsidies. As the Senator knows, I was for subsidies to a much greater extent than many other Members of the Senate. I am raising a constitutional question as to whether we ought to continue to renew power in the administrative agencies to undertake a tremendous spending program without appropriations by Congress.

Mr. BARKLEY. Of course, if there is any constitutional question involved, it already exists and has existed all along. The Senator could raise that constitutional question, as he has done on former occasions.

Mr. TAFT. I put it off a year in order to eliminate the question of immediate differences of opinion about what ought to be done. It seems to me that we ought first of all to establish this principle and establish the fact that the question whether prices are to be higher or whether we are to pay subsidies is to be determined in the forum of the people's representatives. That is all this provides; that it shall not be determined solely by Executive decree when it involves the spending of huge sums of money.

Mr. BARKLEY. When the time arrives Congress will have the same power as it has now to cut them off and it will be more appropriate to do it in the light of the information we have then, it seems to me; than to do it now.

Mr. TAFT. Of course the Senator can see that a veto of the President means that it will be necessary to have a two-thirds vote in both Houses in order to cut off subsidies, which is not a decision by the people's representatives.

Mr. BARKLEY. A veto by the President is also a constitutional process, as the Senator from Ohio will agree.

I do not desire to take the time of the Senate. I simply wished to say that had I been present in the committee at the time I would have voted against the

amendment, and I shall vote against it when it comes to a vote in the Senate.

Mr. MURDOCK. Mr. President—

Mr. BARKLEY. I yield to the Senator from Utah.

Mr. MURDOCK. While the argument of the Senator from Ohio sounds very logical and, of course, it was intended that Congress should in most instances have absolute control of the purse strings, let us look at the metal subsidies for a moment. The R. F. C. has been paying subsidies to the high-cost mines for copper and for lead and for zinc and for every other strategic metal. It is a simple thing for Congress to appropriate money, but it is much more difficult to unwater a high-cost copper mine or zinc mine or lead mine. That cannot be done in an hour's time; it cannot be done in a day's time; it is a matter of weeks and, perhaps months, to unwater a mine. Many of these mines have been unwatered by contracts entered into with the R. F. C. and its subsidiaries. When the policy is continued, as it is continued under this bill, until December 31, 1945, and the money to finance that program is discontinued 6 months before that time, what does it mean to the metal subsidies? It means that contracts which are entered into by the R. F. C. in order to continue such production will have to be discontinued as of June 30, 1945, unless those interested come back to Congress, submit the question, and see if Congress will appropriate the money.

Under ordinary conditions, Mr. President, of course, the Congress of the United States should have absolute control of the purse strings, but when the policy has been established and has been continued for 2 years, it is proposed to continue it for another 18 months, it seems to me a very anomalous situation to cut off the money to finance that program 6 months prior to the time the policy itself comes to an end.

Mr. MALONEY and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. The Senator from Connecticut has been on his feet some time, and I yield first to him.

Mr. MALONEY. I shall take but a moment. I desire the record to be clear. I am not hostile to the final aims of the Senator from Ohio insofar as the program is concerned. My only present interest in the matter is that we put off the consideration of this particular problem until a more appropriate time. We can and we will take up this matter a year hence, whereas the Senator from Ohio would have it decided now. I expect as of this moment that I shall be in agreement with what he wants to do, but, in my judgment, this is not the time to do it. We do not know what the situation will be a year hence, and, as I said before, there is nothing to be gained, in my judgment, by taking action now.

Mr. TAFT. Mr. President—

Mr. BARKLEY. I shall yield in a moment. I desire to comment on what the Senator from Connecticut [Mr. MALONEY] and what the Senator from Utah

[Mr. MURDOCK] have said. It does seem incongruous to pass an act continuing for 18 months the Stabilization Act and the Price Control Act and in the same act say that 6 months prior to its expiration the question of subsidies shall be rehearsed again by Congress and that subsidies shall not be paid unless Congress appropriates the money.

There is another situation that should also be taken into account. We do not know that this will be an 18 months' extension. The House bill provides only for a year, and it might turn out that all we will get is a year's extension. So, if that be true, we will be back here next spring in all likelihood with another bill extending the O. P. A. and the Stabilization Act, and it will certainly be more appropriate at that time to consider the question of subsidies than to do it now. I agree entirely with the Senator from Connecticut.

Mr. TAFT. Of course, if the House approves the 18 months' provision they could approve the subsidy provision or eliminate it.

Mr. BARKLEY. They could, but that only illustrates the incongruity of the Senator's proposal.

Mr. TAFT. It fits in with the 18 months' provision. Furthermore, it covers the question of paying subsidies for the crop year 1945, and they could be paid for the first half of the year. Fundamentally my proposition is to submit to the next Congress whether money shall be appropriated for subsidies after the year 1945.

Mr. BARKLEY. The Senator knows that the crop year is not the fiscal year or the calendar year.

Mr. TAFT. That is correct.

Mr. BARKLEY. The farmers have to make all their contracts in the spring of 1945 for crops that are to be grown in the next year and those subsidies for which they make contracts will not be paid until the harvest season in the fall of 1945.

Mr. TAFT. That is not necessarily so, because there is the alternative of raising prices, which gives a producer exactly the same thing as subsidies. That issue Congress will have to determine.

Mr. BARKLEY. If the alternative of raising prices is exercised instead of subsidies being paid, there will also be the other alternative of raising wages in harmony with the prices charged to the consumer.

Mr. TAFT. I shall discuss that question tomorrow. As to the copper subsidy, in the first place, no one has ever opposed the copper subsidy. There has been no time since the war started that there would have been any difficulty whatever in getting an appropriation for the copper subsidy.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yielded to the Senator from Ohio, and I yield to the Senator from Utah.

Mr. MURDOCK. My point is that if a mine is allowed to fill up with water, the equipment is removed, and it stops operating for 30 days, the mine cannot be

unwatered and brought back into production.

Mr. TAFT. Why should that be done?

Mr. MURDOCK. Just a moment. That cannot be done overnight, as money can be appropriated by Congress. If the Senator will check on it, he will find that contracts have been entered into by the subsidiaries of the R. F. C. continuing for a period of months, probably for a period of a year or more, but faced with the fact that the money to finance the program must run the gauntlet of a fight in Congress before they can go on with the contract, the R. F. C. is in a position where it must let the contracts terminate because of the uncertainty.

Mr. TAFT. With due respect, I do not follow the Senator at all.

The PRESIDING OFFICER (Mr. PEPPER in the chair). Senators will observe the rules of the Senate. The Senator from Kentucky has the floor. Does the Senator yield, and if so, to whom?

Mr. BARKLEY. I had yielded to both Senators. I cannot yield to both at the same time, of course.

Mr. MURDOCK. Mr. President, I do not at all doubt that the Senator from Ohio does not follow me. I do not know how extensive is his knowledge of mining. I know what is involved in the opening up of a metal mine once it is closed down. The high-cost operators will close down unless they know that a subsidy is to be paid.

Mr. TAFT. As I understand, the Senator's argument is that although there is a subsidy in effect, although there is an authorization of Congress to continue the subsidy until July 1, 1945, long before which time Congress will have considered the question of appropriations, the metal miners will close down their mines. They will not do anything of the kind. They will go right ahead, expecting the subsidy to run until the first of July, and hoping that appropriations will continue after that date. If contracts have been made, the chances are that they will be valid anyway. Those contracts are not contracts for subsidies—they are contracts by the R. F. C. to buy the copper at an advanced price. I see no reason why, having entered into those contracts, they should not be binding, or why they should be invalidated. The same copper producers run the risk of having the war end tomorrow, and all the money they put into bringing the mines back into production going into the sewer, because the Government will not need the material after the war ends. So that I think the objection raised on the ground of what is done as to copper is really a red herring dragged across the trail of the pending amendment. The question involved is merely whether or not we are to observe the constitutional provision that no money shall be drawn from the Treasury but in consequence of appropriations made by law. That is the principle I am trying to restore.

Mr. BARKLEY. I do not wish to consume any more time. I think the amendment is a mistake. I do not think any of the agencies involved in the present program will know how to proceed during the coming year in regard to the pay-

ment of subsidies to farmers and others, if they have suspended over their heads, I started to say the sword of Damocles, but I should say the sword of TAFT, and are about to have their appropriations cut, or at least to be deprived of the knowledge of what they can do. Feeling that way about it, I shall vote against the amendment.

Mr. STEWART obtained the floor.

Mr. TAFT. Will the Senator yield?

Mr. STEWART. I yield.

Mr. TAFT. I merely wish to say that I cannot see that anyone would be wronged by the adoption of the amendment. There is not a single contractor with the Government who can count on money beyond the first of next July, a year from now, and I am merely proposing that those who draw subsidies should, as in the case of everyone else, be entitled to every assurance from the Government up to that time, and not beyond that, but that thereafter they should come to us for appropriations, as in the case of everyone else in the United States.

Mr. STEWART. Mr. President, I send to the desk an amendment I intend to propose at the proper time, and ask that it be printed and lie on the table. The amendment is to be proposed as an amendment to the pending measure, of course, and it will affect perishable commodities. It would require the O. P. A. to take into consideration and make allowances for the hazard of production and marketing of fresh fruits and vegetables. I shall have more to say about the amendment at the time when I can call it up.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 2, after line 10.

Mr. MALONEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DANAHER. Mr. President, I want the RECORD to show that while most, if not all, of the important discussion in the last 30 minutes has centered about the subject of food subsidies, this amendment, which commences on page 2, line 12, of the pending bill, applies to a very great many other items. For example, we have the commodity known as aluminum. A subsidy is paid with reference to aluminum to bring in marginal producers. The method of doing it is to buy the output of high cost producers at a figure above the prevailing price.

There is a subsidy with reference to apples. It is paid to cover the high cost of transportation of away-from-market producers, and that is done by the paying of additional transportation costs.

There is the payment of the subsidy on butter, to roll retail prices back to the September 1942 level. At the time I inserted in the RECORD recently a chart which explained this particular subsidy, the rate was 5 cents a pound at the creamery.

Next is the subsidy for canning fruits and vegetables. It is paid to compensate for higher costs, and for the purpose of buying a pack and reselling at a loss, and also compensating for increased wage costs.

The same applies to Cheddar cheese, except it is bought from the manufacturer at 27 cents a pound, and thereafter resold at 23¼ cents a pound, which is the ceiling price.

It applies to Chilean nitrate of soda, to compensate for increased war-time shipping costs. The Government buys nitrates at \$37 a ton, and resells for \$30 a ton. That is done through the Defense Supplies Corporation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. AIKEN. The estimate of \$37 a ton is figured as if a duty were paid on the nitrates, is it not?

Mr. DANAHER. I believe it is figured ex duty.

Mr. AIKEN. Does the Senator know whether the sales of nitrates which are made to the Army and Navy are made at that price, or whether they are made at the market price?

Mr. DANAHER. I am unable to answer the question categorically, but if I were to give my understanding, it is that the mark-up is included at the time of the resale by the Defense Supplies Corporation, to meet the Army and Navy demands. I am not certain, but I believe that to be so.

Mr. President, there is a subsidy with reference to coal. To offset the increased transportation costs to the east coast, the Government, through the Defense Supplies Corporation, pays out the cost differential between the pre-war and the war routes.

There are the copper, lead, and zinc subsidies, to bring marginal mines into production, and the basis upon which that is done is to pay premiums to high-cost producers above specified quotas.

There is the corn-price adjustment to induce movement of yellow corn to East and Southeast where price ceilings are lower. In that case the Commodity Credit Corporation pays 5 cents a bushel to sellers who ship from corn areas to the East and Southeast.

There is the subsidy for dairy feed to compensate for increased feed and labor costs. That is done by paying the farmer 30 to 50 cents a hundredweight for whole milk, or 4 to 6 cents a pound for butterfat.

There is the subsidy on dried beans to encourage production, where the Government buys at a price higher than the ceiling and resells at a loss.

There is the subsidy on flour and bread to compensate for the rise in wheat prices. In that case there is a direct payment to the miller.

There is the subsidy on fluid milk in four urban areas where the Government compensates for increased prices paid to farmers and in that case there is a direct payment to the distributor.

As to imported metals we subsidize to offset wartime transportation costs, and we buy imports at above ceiling prices and sell at a loss.

Jewel bearings are subsidized to offset higher cost of domestic production. In that case we buy the domestic output at cost plus 6 percent, plus certain development expenses, and Mr. President, the subsidy is paid directly to the producer.

All these items involve different questions of policy not only as to what particular item is to be subsidized, what production is to be called for, but the basis on which it is to be done.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. DANAHER. Yes.

Mr. TAFT. On page 1214 and page 1216 of the hearings are included lists of all subsidies, showing a total for civilian-conservation programs of \$696,000,000, a total for Reconstruction Finance Corporation programs of \$654,000,000—those are for food—and a list of other subsidies referred to by the Senator from Connecticut, totaling \$351,000,000. I ask that the two tables be inserted in the Record after the remarks of the Senator from Connecticut.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A and B.)

Mr. DANAHER. Mr. President, I wish to point out further that this particular amendment applies to miscellaneous domestic ores, it applies to nicotine sulfate, to peanuts, to peanut butter, to petroleum, to potatoes, to prunes and raisins, to soybeans, to sugar transport, to sugar beets; to tires, in order to utilize extra passenger-car tires, and in that case, Mr. President, the Government buys from the private car owners and resells the tires at a loss; to truck crops, to wheat for feed, and to wood pulp, and in that case the Government directly pays the increased cost of mills using bleached sulfite wood pulp.

Mr. President, when one considers all the phases of subsidy into which the Government has moved, simply on the decision of authorities in departments who have nothing to do with the Office of Price Administration, subsidy payments that are in no way necessarily connected with section 2 (c) authorizations as set forth in the original Emergency Price Control Act, there would seem to me to be justification for the belief that the Congress itself ought to be the fundamental factor in the decision as a matter of policy on what subsidies it will permit, on what basis they are to be extended, and in what amounts. If that be not the case, Mr. President, the Army and the Navy might easily decide sometimes that they wish to expend larger sums of money than the Congress has authorized them to do, or the Department of Commerce might so decide, or any other agency, and all it has to do, on the theory which is presented here in argument, is to have the President issue a directive or an Executive order, have the R. F. C. go to the Treasury and borrow, and on the strength of the R. F. C.'s borrowings turn over the increased funds it desires to the agency or the administrative body in question.

That certainly is not our system, Mr. President; that certainly is not what we have had in mind, and the basis upon which we have proceeded as a Congress. When the Banking and Currency Committee considered this amendment it was at first believed that we would be wise if we took the date of December 31, 1944, as the time limit within which the present program of subsidy payments would expire. But as we discussed it we felt that

if we were to take that date it would inordinately interfere with a program which today is in process, and with which the committee did not wish in any way whatever to interfere.

We therefore said that since the current program is well known, and since the Congress is advised of it, and that the matter has been in fact discussed, we would be well advised to let the matter alone for this year, and rather to extend it to coincide with the termination of the next fiscal year which will expire June 30, 1945, when all other appropriations for all other agencies and departments will expire. Thus we took the date June 30, 1945, and as of the date of June 30, 1945, and in the interim, all the agencies affected, whether they want to buy wood pulp and resell at a loss, or whether they want to buy copper sulphate and resell at a loss, or whether they want to pay transportation costs and shipping expenses, or whatever they may be, may very well come to the Congress and say: "To you, the representatives of the people, we submit this problem. What is your decision as a matter of policy? What do the people of the United States wish to do? Do they wish to let us, sitting back of these desks in the departments, make all the decisions, or is the Congress, which is charged with the responsibility for doing so, going to make them?"

That is the issue, Mr. President, and it is a very simple one.

EXHIBIT A

Food subsidies—Annual cost and estimated direct savings on programs in effect Apr. 1, 1944¹

(Millions of dollars)

	Cost			Savings		
	Total	On civilian purchases	On Government purchases	Total	On civilian purchases	On Government purchases
Apples.....	4	4	—	24	24	—
Canned grapefruit juice.....	7	7	—	9	9	—
Canning fruits and vegetables ²	23	23	—	28	28	—

EXHIBIT B

Annual cost and savings on nonfood subsidy programs in effect Dec. 1, 1943

(Millions of dollars)

Defense Supplies Corporation	Paying agency	Cost to paying agencies	Direct savings on Government purchases	Direct savings to civilians
Aluminum rod, bar, and rivets.....	Defense Supplies Corporation.....	6	16	(¹)
Chilean nitrate of soda.....	do.....	7	—	10.5
Coal.....	do.....	25	(¹)	125
Copper, lead, and zinc.....	Metals Reserve Company.....	80	1,000	—
Domestic ores.....	do.....	5	25	(¹)
Fibers.....	Defense Supplies Corporation.....	3.65	—	2 10
Imported metals.....	Metals Reserve Company.....	25	125	(¹)
Industrial alcohol from grain.....	Defense Supplies Corporation.....	15	—	20
Industrial alcohol from molasses.....	do.....	3.7	—	5
Jewel bearings.....	do.....	7.5	17.5	(¹)
Nicotine sulfate.....	Agricultural Marketing Administration.....	1.8	—	4.1
Petroleum.....	Defense Supplies Corporation.....	100	224	166
Petroleum coke.....	do.....	2.5	12.5	(¹)
Rubber.....	Rubber Reserve Company.....	48	—	110
Wood pulp.....	Defense Supplies Corporation.....	1	—	20
Total.....		151.15	1,290.0	370.6

¹ No direct estimate on savings available. Savings figure shown is equal to cost, which is a minimum estimate, and is assigned to the consumer of major portion.

² Includes savings on two small pending fiber programs.

³ Offset by earnings on industrial alcohol for military and lend-lease purposes.

EXHIBIT A—Continued

Food subsidies, etc.—Continued

(Millions of dollars)

	Cost			Savings		
	Total	On civilian purchases	On Government purchases	Total	On civilian purchases	On Government purchases
Dry beans.....	9	9	—	13	13	—
Dairy products:						
Dairy feed payments.....	400	318	82	490	408	82
Fluid milk (regional programs).....	6	6	—	6	6	—
Cheddar cheese.....	14	14	—	18	18	—
Oilseeds and products:						
Peanut butter.....	18	18	—	26	26	—
Peanuts.....	30	—	—	—	—	—
Soybeans.....	49	457	422	90	68	422
Vegetable bulk shortening.....	4	4	—	4	4	—
Prunes and raisins.....	14	14	—	19	19	—
Sugar beets and cane.....	36	28	8	173	132	41
Sugar transport.....	17	13	4	—	—	—
Wheat for livestock.....	65	51	14	679	63	16
Subtotal, Civilian Conservation Corps programs.....	696	566	130	979	818	161
Butter.....	81	60	21	90	69	21
Meat.....	467	279	188	603	400	203
Wheat for flour and bread.....	106	89	17	148	131	17
Subtotal, Reconstruction Finance Corporation programs.....	654	428	226	841	600	241
Total, all programs.....	1,350	994	356	1,820	1,418	402

¹ These estimates exclude the costs of the potato and egg support programs, which currently are not exercising any restraining effect upon retail prices.

² These estimates are based on the assumption that the program covering 1944 operations will be similar to that in effect in 1943.

³ This estimate does not reflect certain changes in payment rates announced April 26, which will require recalculation of both costs and savings on the program. The increase in cost for the remainder of calendar year 1944, as a result of these changes, will amount to roughly \$26,000,000. Neither this \$26,000,000 nor the original estimate of \$400,000,000 make any deduction for nonparticipation, which the War Food Administration estimates at 5 to 10 percent.

⁴ Based on current allocation of all vegetable oil products combined.

⁵ Savings for sugar are now calculated with reference to the payment on sugar beets, which has been doubled since the last estimate made. The new estimates cover total sugar consumption, except that of civilian institutional establishments and that portion of industrial consumption for which cost increases could be absorbed by the industries affected. Previous savings estimate covered only household consumption.

⁶ Minimum estimate, calculated with reference to increase in feed costs for eggs and fluid milk only.

The **PRESIDING OFFICER**. The question is on agreeing to the committee amendment embodied in section 102, on page 2 of the bill, on which the yeas and nays have been ordered.

Mr. HILL. I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Reed
Ball	Gurney	Revercomb
Bankhead	Hatch	Reynolds
Barkley	Hawkes	Robertson
Brooks	Hayden	Russell
Buck	Hill	Shipstead
Burton	Holman	Stewart
Bushfield	Jackson	Taft
Byrd	Johnson, Colo.	Thomas, Idaho
Capper	La Follette	Thomas, Okla.
Caraway	Lucas	Truman
Chandler	McClellan	Tunnell
Chavez	McFarland	Tydings
Clark, Mo.	McKellar	Vandenberg
Connally	Maloney	Wagner
Cordon	Maybank	Wallgren
Danaher	Mead	Walsh, Mass.
Davis	Millikin	Walsh, N. J.
Downey	Murdock	Weeks
Eastland	Nye	Wheeler
Ellender	O'Daniel	Wherry
Ferguson	Overton	White
George	Pepper	Wiley
Gerry	Radcliffe	Willis

The **PRESIDING OFFICER**. Seventy-two Senators having answered to their names, a quorum is present.

The Chair will state that the bill is being considered by sections. The question is on agreeing to the committee amendment embodied in section 102, on page 2 of the bill. On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. TAFT. I understand that a vote in favor of the committee amendment is a "yea" vote. Is that correct?

The **PRESIDING OFFICER**. Those favoring the committee amendment will vote "yea." Those opposed will vote "nay."

The clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. WAGNER. Mr. President, as chairman of the committee I merely wish to explain that I opposed the amendment in the committee.

Mr. DANAHER. Mr. President, a point of order.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. DANAHER. The call of the roll has been commenced, and at least one Senator has already voted. I desire that we proceed with the call of the roll.

The **PRESIDING OFFICER**. The Senator is correct.

Mr. WAGNER. Mr. President, I ask unanimous consent that I may make a very brief statement.

The **PRESIDING OFFICER**. Is there objection? Without objection, the Senator from New York may proceed.

Mr. WAGNER. Mr. President, when the amendment was before the committee, I stated my opposition to it. I then said that if a vote was had on the amend-

ment on the floor of the Senate I would vote against it.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. WAGNER. I yield.

Mr. TAFT. However, the Senator in his very enlightening minority views dissenting from one of the other amendments made no statement of his opposition to this amendment. Is that correct?

Mr. WAGNER. No; I did not.

Mr. BARKLEY. It was not necessary to cover everything.

Mr. WAGNER. The Senator from Ohio knows that I was accurate in the statement I just made in reference to my own position on this amendment. I merely wished to have that explained, because I propose to vote against the amendment.

The **PRESIDING OFFICER**. The clerk will resume the calling of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from South Carolina [Mr. SMITH], and the Senator from Utah [Mr. THOMAS] are detained on public business. I am advised that if present and voting, the Senator from Pennsylvania [Mr. GUFFEY] would vote "nay".

The Senator from Mississippi [Mr. BILBO] is detained in one of the Government departments on matters pertaining to the State of Mississippi.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

The Senator from Nevada [Mr. McCARRAN] is paired on this question with the Senator from North Carolina [Mr. BAILEY]. I am advised that if present and voting, the Senator from Nevada would vote "yea", and the Senator from North Carolina would vote "nay".

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Nebraska [Mr. BUTLER] is paired on this question with the Senator from Pennsylvania [Mr. GUFFEY]. If present, the Senator from Nebraska would vote "yea." I am advised that the Senator from Pennsylvania would vote "nay."

The Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Florida [Mr. ANDREWS].

The Senator from Maine [Mr. BREWSTER], the Senator from North Dakota

[Mr. LANGER], the Senator from Oklahoma [Mr. MOORE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The result was announced—yeas 50, nays 22, as follows:

YEAS—50

Aiken	Gerry	Reynolds
Ball	Gurney	Robertson
Bankhead	Hatch	Russell
Brooks	Hawkes	Shipstead
Buck	Hill	Stewart
Burton	Holman	Taft
Bushfield	La Follette	Thomas, Idaho
Byrd	McClellan	Thomas, Okla.
Capper	McKellar	Tydings
Caraway	Maybank	Vandenberg
Connally	Millikin	Weeks
Cordon	Nye	Wheeler
Danaher	O'Daniel	Wherry
Davis	Overton	White
Eastland	Radcliffe	Wiley
Ferguson	Reed	Willis
George	Revercomb	

NAYS—22

Barkley	Jackson	Truman
Chandler	Johnson, Colo.	Tunnell
Chavez	Lucas	Wagner
Clark, Mo.	McFarland	Wallgren
Downey	Maloney	Walsh, Mass.
Ellender	Mead	Walsh, N. J.
Green	Murdock	
Hayden	Pepper	

NOT VOTING—24

Andrews	Clark, Idaho	Moore
Austin	Gillette	Murray
Bailey	Glass	O'Mahoney
Bilbo	Guffey	Scrugham
Bone	Johnson, Calif.	Smith
Brewster	Kilgore	Thomas, Utah
Bridges	Langer	Tobey
Butler	McCarran	Wilson

So the amendment on page 2, lines 11 to 21, was agreed to.

Mr. MALONEY. Mr. President, I submit an amendment which I ask to have printed and lie on the table.

The **PRESIDING OFFICER**. The amendment will be printed and lie on the table.

The clerk will state the next committee amendment.

The next amendment was, on page 4, after line 18, to insert:

PROTEST PROCEDURE

SEC. 106 (a) The first sentence of section 203 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "Within a period of 60 days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within a period of 60 days after the effective date thereof specified in section 206), or within a period of 60 days after June 30, 1944, whichever is later, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections."

(b) Section 203 (c) of such act is amended by inserting before the period at the end thereof a colon and the following: "Provided, however, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in sup-

port of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection."

(c) Section 203 of such act is further amended by adding at the end thereof the following new subsection:

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time, as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

Mr. DANAHER obtained the floor.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. As I understand, we are to proceed with the committee amendments before considering any amendment which may be offered from the floor. Is that correct?

The PRESIDING OFFICER. It is the usual practice for the Senate first to consider committee amendments. In this case there has been no order of the Senate adopting that procedure, but that being the usual course, the clerk began to state the committee amendments when consideration of the bill was undertaken.

Mr. REVERCOMB. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. Therefore, as I understand, if there is an amendment to be offered from the floor to a committee amendment, it should be offered and considered later, after all committee amendments have been disposed of.

The PRESIDING OFFICER. An amendment to a committee amendment would be in order when the committee amendment is being considered.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. As I understand, after the committee amendments shall have been disposed of, an amendment may be offered to a committee amendment, may it not?

The PRESIDING OFFICER. Not to a committee amendment which has been agreed to, unless, of course, there is reconsideration of the vote by which the amendment was agreed to.

Mr. DANAHER. Mr. President, in connection with this amendment, which is dealt with as a whole under the subtitle of "Protest Procedure," commencing after line 18 on page 4, and continuing through line 17 on page 6, I wish to offer an amendment. The amendment which

I offer is on page 5, in line 12. I move to strike out the word "September" and insert in lieu thereof the word "August."

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 5, line 12, following the word "after," it is proposed to strike out "September" and insert in lieu thereof "August", so as to read "August 1, 1944."

Mr. DANAHER. Mr. President, I wish to explain the amendment to my colleagues.

When this matter was before the committee for consideration we found that proponents as well as opponents of the general idea of revision of the protest-procedure section of the original act agreed that there should be administrative hearings available to those who had legitimate protests to offer. We found agreement—in fact, very cooperative and, shall I say, solicitous, consideration—on the part of counsel for the Office of Price Administration.

The basis upon which the protest procedure might proceed was the object of great attention. A subcommittee was appointed. It included the chairman of the committee, the distinguished Senator from Maryland [Mr. RADCLIFFE], the equally distinguished Senator from Utah [Mr. MURDOCK], the Senator from Ohio [Mr. TAFT], and the Senator from Connecticut, in our humble capacities as committee members. We met for many long hours. We reviewed the effect of the Supreme Court's decision in the *Yakus* case, and other decisions on the whole administrative procedure and basis of operation in the Office of Price Administration.

As a result we were in accord that there should be established a more competent mechanism through which those with legitimate protests might obtain a hearing in the Office of Price Administration. To that end there was devised a board, to be set up in the Office of Price Administration itself, which board, however, would be at all times under the Administrator himself.

From the decision ultimately to be rendered an appeal may be taken by any aggrieved person, but he will have a record to take with him, and he will go to the Emergency Court of Appeals. We wished to center the appellate procedure in the Emergency Court of Appeals, to the end that there might be unanimity of action, and not 92 district courts entering 92 different orders on exactly the same regulation or order when complained of.

Without dissent, it was agreed that as to all new orders which are to be entered after July 1, 1944, there should be a period of 60 days within which one might file his protest, and after August 1, 1944, as we originally proposed it, he would take the protest to the board of review within the Office of Price Administration. The reason we selected the date August 1, 1944, was to give the Office of Price Administration the entire month of July within which to set up the board and organize to hear the protests which might be filed. As I have said, Mr. Presi-

dent, as to all future orders, there was no question.

In principle, it would seem that if we are to give to those who ultimately may seek a review in the Emergency Court of Appeals the privilege of a hearing, and of a record in the Office of Price Administration, then logically, if justice, right, and principle are to apply with respect to future orders, they should apply as well with respect to those who might wish to file a protest against presently outstanding orders.

The committee divided on the question. At one time the amendment which I have now proposed was agreed to. Within a few hours one vote was changed, and the amendment was lost.

So it happened that when the bill came to the floor the date September 1, 1944, appeared in the committee amendment rather than the date August 1, 1944. The reason the September 1 date was selected is this: It was agreed that persons who were affected adversely by presently outstanding orders might have 60 days in which to file their protests against any outstanding regulation or order, but that if they filed any such protests they could obtain a review only under the provisions of existing law. Those are the provisions against which complaints have been made on the ground that they are inadequate. The section in question appears on page 9 of the act being section 203 (a), (b), and (c) of the original Price Control Act.

So, Mr. President, the Office of Price Administration said that if we were to open the door to all those who might be aggrieved by outstanding orders, they might be flooded with protests to such a degree as to make it impossible administratively to handle all protests against outstanding regulations and orders, as well as all future regulations and orders.

Many members of the committee, and at one time most of them, felt that the position of the Office of Price Administration which I have stated was not the answer. If, in fact, persons are being denied a hearing; if, in fact, justice and right require that they be given a hearing, to say that administratively it is difficult to afford such hearing, is not the answer. If the Office of Price Administration needs more help, we should provide it. If it needs more hearing commissioners, or more persons to sit on boards, then additional hearing commissioners or additional personnel for boards should be provided. However, it seemed to many of us that at the very least the right to be heard is fundamental, and that if persons in fact cannot go before the Office of Price Administration with the right to be heard and have their protests considered, and have a record made, then there is a denial of that element of due process which our Constitution guarantees to American citizens.

Many of us also feel that if the individual aggrieved citizen can be assured that he is not indeed being denied due process, much of the complaint which we have heard against bureaucratic absolutism—as the term has been applied to various Government agencies—will be

dissipated. We feel that if indeed there can be afforded a fair hearing within the Office of Price Administration, together with the preservation of a record, with the right thereafter to go to the Emergency Court of Appeals for a review, we will be safeguarding and strengthening the regulations and orders of the Emergency Price Control Administration.

Mr. President, I have one further observation, and then I shall conclude.

Clearly, if in fact there is outstanding an order which is invalid and unconstitutional, no person should find his property subjected to penalty on that account. No person should find himself inveighed against in the criminal court for violation of such an invalid order or unconstitutional regulation. Who is to determine whether it is invalid or unconstitutional? All we say, Mr. President, is that we are willing that the Office of Price Administration itself, through its own board of review, shall make the initial determination. Then, if a person is still aggrieved by such determination, and still insists that grounds for a protest exists, he will have a right to go to the Emergency Court of Appeals for a review should the Office of Price Administration deny his protest. By the same token there is no one in the United States who should be more interested in discovering if in fact a regulation is invalid, or an order unconstitutional, than the Office of Price Administration itself. Consequently, if a legitimate protest is in fact filed, and the O. P. A. is advised of its invalidity or unconstitutionality, it will have the authority to make the appropriate corrections. Mr. President, that is equity, fairness, and justice.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BARKLEY. If the Senator's amendment were adopted would it not be possible for all existing orders under which industry had been working, no matter how long they have been in force or observed, to be reopened and protests filed with the board of review which would be set up under the amendment?

Mr. DANAHER. If the committee amendment is adopted, no matter how long the order has been outstanding, any person aggrieved may file a protest as to such old, outstanding, and ancient order under which conditions have been settled and industry is said to be satisfied, as the Senator would state it.

The only change we would make by my amendment is that, instead of causing a particular protest to be disposed of in accordance with the procedure which is set forth in the original act, we would accord to the protestant identically the same kind of a review that another industry would receive in the case of an order entered, let us say, on October 1, 1944. In other words, even if the committee amendment is adopted as to all future orders, a protest may be filed, and a review may be had by the board of review in the office of O. P. A. That is the only difference there would be.

Mr. BARKLEY. Under the Senator's amendment, even if an order had been in existence for a year, and if it had been administered with reasonable satisfaction, on the chance that protests might bring about a modification, would not there be an inducement to file such protests, to be decided under the new language, instead of being decided under the old language?

Mr. DANAHER. I know the Senator's question is asked in complete good faith. I know that circumstances made it necessary for him to be absent when a portion of this matter was under consideration in the committee. So I wish to ask him to examine the language near the bottom of page 4 of the bill. If he will look at line 22, he will see that the answer to his question is in the committee amendment, as follows:

Within a period of 60 days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within a period of 60 days after the effective date thereof specified in section 206), or within a period of 60 days after June 30, 1944, whichever is later—

And so forth. I now point out that in lines 22 to 25, inclusive, at the bottom of page 4, the words apply to all future orders and all future regulations which may be issued by the Office of Price Administration. The first line at the top of page 5, which states, "or within a period of 60 days after June 30, 1944, whichever is later," gives to any person who is aggrieved by an order which may already be a year old, 60 days within which to file a protest.

Why did we allow 60 days? The original act, Mr. President, had already given the individual aggrieved person 60 days within which to file a protest. However, the act became law on January 30, 1942. Sixty days may have elapsed before anybody knew of the impact of a regulation or order governing his business. It was not until April 1944, that the general maximum price orders were promulgated, and even then they took the highest price which prevailed in the month of March 1942, with reference to any commodity. So, Mr. President, the 60 days came and went as to any number of persons in the United States who might otherwise have wished to file a protest, but the time had already run against them. So it was no more than fair and right—and the committee is unanimous on that point—that as to all old orders anyone who is aggrieved may file a protest within 60 days from the 1st of July 1944.

Mr. ELLENDER. Mr. President—

Mr. DANAHER. I shall yield in a moment, if the Senator will bear with me.

So, Mr. President, the only difference in the world that the amendment which I have offered will make in this situation is that if any person who is aggrieved by an outstanding order wishes to file a protest and obtain a hearing before the Board of Review he will have a limited period of 30 days which will commence on August 1, 1944, in which to do it, and he will have only 30 days. If he does not file a protest within the 30 days, he cannot have a review at all. If he does

have a review he has to go to the Board of Review, and, as we worded it in the committee, it would be at his option whether he got a hearing before the Board of Review.

Mr. ELLENDER and Mr. RADCLIFFE addressed the Chair.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Connecticut yield, and if so, to whom?

Mr. DANAHER. I yield first to the Senator from Louisiana.

Mr. ELLENDER. I notice, in line 22, page 4 of the bill, that the 60-day period for protest has reference to any regulation or order under section 2, and on page 5 the bill provides "within a period of 60 days after June 30, 1944, whichever is later, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest."

Does that also refer to such orders as may be issued under section 2?

Mr. DANAHER. Yes; or as to a price schedule under section 206.

Mr. ELLENDER. The protests that are to be made against any order after June 30, 1944, may be made as to any order or regulation that has been issued under any section of the act. Is that correct?

Mr. DANAHER. No; under section 2. This does not change existing law, let me say to the Senator from Louisiana. Does the Senator have the original act before him?

Mr. ELLENDER. No; I have it not before me; that is the reason I am asking the question.

Mr. DANAHER. Let me read it so that the RECORD will show the situation exactly. If the Senator will follow the bill, he can compare the provisions. I read from section 203 of the act of January 30, 1942:

Within a period of 60 days after the issuance of any regulation or order under section 2, or in the case of a price schedule, within a period of 60 days after the effective date thereof, specified in section 206, any person subject to any provision of such regulation, order, or price schedule, may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision—

And so on. There is no difference. We simply reenact existing law in that respect. We do not broaden the remedy in any way whatever, except to give an additional period of 60 days, commencing July 1, 1944, as to all old regulations or orders, and with reference to new ones 60 days after the date of their promulgation, which is what the existing law does. Does that answer the Senator's question?

Mr. ELLENDER. Has the committee given any consideration to the amount of time or the number of additional employees who may be necessary to review all the orders that have been issued since the inception of the act?

Mr. DANAHER. Let me say to the Senator from Louisiana that we gave untold hours—I do not know how many,

but certainly 150 or 160 hours—of the meeting time while we considered every possible ramification of it. I shall be happy to yield to my distinguished colleague from Maryland [Mr. RADCLIFFE] who was on the subcommittee with me, and who I know will bear me out in that respect. We do not know how many employees will be needed, but in my judgment the number will not be great, because any aggrieved person will have only 30 days in which to ask for a hearing before the board of review as to old orders; if industry is satisfied with an old order it is not going to file a protest. If it should file a protest and the principle upon which the original ruling of the Price Administrator was based is sound, it is going to be denied, and if it is a case that has been litigated already before the Emergency Court of Appeals it will not be considered. Consequently, there is not going to be any such disturbance as some persons have apprehended.

Mr. RADCLIFFE. Mr. President—

Mr. DANAHER. I am glad to yield to the Senator from Maryland.

Mr. RADCLIFFE. The members of the Banking and Currency Committee were in substantial accord with the idea the Senator from Connecticut has discussed that there should be provided some way by which the old regulations could be given further consideration and protests regarding them heard. For many reasons we were of that opinion. Some of the regulations affected many persons who were not aware of their existence, and their attention had not been called to the significance of these regulations until after the time had expired when any action by way of protest could be taken. So, as I recall, the members of the committee were all in accord with the idea that the old orders should be opened up to review; in other words, that there should be afforded some opportunity by which protests against old orders could be heard.

The committee was also in accord with the idea that the board of review which is proposed to be set up should be appointed by the Administrator, and its decision should be subject to his approval.

When it came to deciding what form of hearing should be given to those who might desire to protest we were confronted with certain very practical questions. There is no doubt of the fact that as to new regulations there should be afforded a chance for a hearing before a board of review. That being the case, why should not a similar opportunity be afforded those who desire to be heard concerning the old regulations? In other words, why should any distinction be made between those who want to be heard on new regulations and those who want to be heard on the old regulations or orders? I grant there is a considerable logic in stating that there should be no such distinction, but we are confronted with very serious and very practical considerations, which I feel should govern in this particular matter. We say to those who desire to file a protest under the new regulations that they may go either before the board of review or before the Administrator. If, however, they want to be heard in regard to old

regulations, then it does not necessarily follow that the same protest facilities must be given to them; although in some respects it would be logical and reasonable to do so if we were not faced by certain very practical problems. It cannot be said that anyone who desires to be heard on the old regulations is denied an opportunity of being heard for under the committee amendment, he can go before the Administrator, but he does not have a double opportunity for obtaining a review. It does not necessarily follow that those who want to be heard under the old regulations must be placed in the same category with those who want to be heard under the new ones; but they are not being denied some opportunity for protest and review.

If it was feasible to arrange it so that those who want to be heard under the old regulations could have an opportunity to go before the board of review, and the burden of making necessary regulations and carrying them out were not practically insuperable, I would be in favor of such a plan, but I really feel that such a proposition would carry with it such a burden that it could not readily be sustained.

The board of review must be created and set up. It will not begin to function for some little while. The new regulations and new propositions are to come before it and probably very many protests will develop as to them. If at the same time the board of review, just coming into existence, with all the new problems with which it must contend, must also hear all those who would protest under the old regulations, I am afraid we will find that the board will be bogged down so seriously as to affect adversely its usefulness. No matter how large the board may be, no matter if it obtains all the employees it wants, although I am not sure that is possible still the board has to be constituted, and it must begin to function. So, much as I regret that there should continue to be some distinction between those desiring to protest under the old regulations and those who desire to be heard under the new, I think the basis of the distinction is a reasonable one and should be applied, bearing in mind the fact that everyone will get a right which he does not have now. In other words, a man who would have no opening to be heard under the old regulations because under existing law his opportunity has terminated, will under the committee amendment be given such an opportunity. He gets something new anyway, that is he gets an opportunity to come forward and present his case before the Administrator. It seems to me that is a very substantial concession to make to him.

Mr. DANAHER. Will the Senator answer a question in my time?

Mr. RADCLIFFE. Certainly.

Mr. DANAHER. The Senator agrees in principle with the entire result, but bases his position, as he now explains it, solely on the factual ground that he thinks there might be a burden on the Administrator.

Mr. RADCLIFFE. I go a little further than that. I do not accept the theory that a man who desires to be

heard under the old regulations should necessarily have the same right and the same privileges as those who are affected by the new regulations. It is a question which is coming up now for the first time. It is true the Senator from Connecticut would also give all protestants under the old regulations the same opportunity, but in the proposed legislation we create such an opportunity that the protestant is getting something which has been so far denied to him as to old regulations.

Mr. DANAHER. Or as to which the time has run without his ever having filed a protest.

Mr. RADCLIFFE. That is true, but he is getting a new right, and something very substantial, which he does not have at this time. In other words, even if the committee amendment shall prevail, he can still have his time, during which he can ask for a hearing. If anyone has slept on his rights, if anyone has not taken advantage of the opportunity to assert his rights, he would still be given an opportunity to come forward, and that is a very substantial concession whatever the procedure to be followed out. I do not think it necessarily follows that he should demand that he should have exactly the same opportunity and have therefore both methods of presenting his case which would apply to a man who desired to be heard under the new regulations. In other words, there is a different status as between the two justified because the protestant on old regulations has failed to act when he could have done so.

Mr. DANAHER. The Senator means that if the patient is ill, he does not necessarily get the best medicine that is available, which all other patients who are now ill will get. He can get a medicine that is only about half as good.

Mr. RADCLIFFE. I do not quite follow the analogy as to a man who is ill.

Mr. DANAHER. "Aggrieved" is the correct word.

Mr. RADCLIFFE. Let me put it in this way: If there are two patients to be considered, and one man has, we will say, slept on his rights, without taking advantage of the opportunity to secure treatment, I do not think he can feel that he is not being treated fairly if he does not get quite all the opportunities the other patient obtains who has not failed to be diligent. Do not forget that everyone of these protestants under the old regulations has had his opportunity, and he has not taken advantage of it.

Mr. DANAHER. The Senator will recall that I have the floor, but I have yielded to him. I now at the moment would like to ask him a question.

If one comes in with a protest, even on the basis which the Senator from Maryland suggests, on the ground that the order or regulation is invalid, does not the Senator agree that the Office of Price Administration itself should be put on notice, if it can be shown that the order is invalid?

Mr. RADCLIFFE. He still has his opportunity before the Administrator. He still has the regular procedure outlined there and in the committee amend-

ment. He loses only one link in the chain.

Mr. DANAHER. And the link is that he will not get a hearing, even though it is necessary to demonstrate the invalidity of the order.

Mr. RADCLIFFE. He will be given an opportunity to go before the Administrator.

Mr. DANAHER. Or the opportunity to tell the Administrator that it is invalid. The Administrator may say, "Perhaps it is, but you cannot be heard."

Mr. RADCLIFFE. If we get down to the final analysis, in view of the fact that the Administrator must confirm everything that the proposed Board of Review does, what the Senator says would follow in any case.

Mr. DANAHER. I thank the Senator from Maryland for his contribution. I know that he and I have been in substantial accord on what we are all trying to do, and I certainly do not yield to him or to anyone else in my desire to achieve effective enforcement of the act. What we are trying to do is to accord a hearing to those who are entitled to a hearing, to demonstrate that in fact an order or regulation is invalid.

Mr. WAGNER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from New York?

Mr. DANAHER. I yield.

Mr. WAGNER. We had before the committee the matter the Senator has been discussing, the question of the dates of August 1 and September 1.

Mr. DANAHER. It was before the committee for many days.

Mr. WAGNER. The representative of the O. P. A. told us that if all the old cases and the new cases were brought together in 1 month the office would be so overwhelmed they could not complete their work. It was for that reason that finally the committee decided to insert the date September 1, because otherwise the office would be overwhelmed.

Referring to the matter the Senator has just debated with the distinguished Senator from Maryland, relating to cases in which the statute had run, except for this new opportunity afforded by the pending measure, if it shall become a law, it is true that even as to the old cases, if the Administrator again denied a protest, the protestant could still go into the Emergency Court of Appeals.

Mr. DANAHER. The Senator is correct. Without the record he has, the aggrieved individual could have gone before the board of review under the procedure the committee unanimously recommended for all future cases.

Mr. WAGNER. There was a good deal of sympathy in the committee for the contention of the Senator. He pressed his point with vigor, but I think a majority of the committee was finally convinced that the work would have been overwhelming. There would not be enough men available to do the work if the old and the new came in during the month between August 1 and September 1. That is why I am hopeful the amendment will be accepted without the amendment of the distinguished Senator. It would have been an impossible task, I think.

Mr. MURDOCK. Mr. President, will the Senator from Connecticut yield to me?

Mr. DANAHER. I yield.

Mr. MURDOCK. So far as the record is concerned, on which the protestant goes into the Emergency Court of Appeals, it will be the same, will it not, under either procedure?

Mr. DANAHER. No; that does not at all follow. The reason why there is likely to be a difference, or why there can be a difference, is that the original act provides:

Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order (or in the case of a price schedule, 90 days after the effective date thereof specified in sec. 206) in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based and of any economic data and other facts of which the Administrator has taken official notice.

That last sentence is important, because we say in the bill:

The protestant shall be informed of the recommendations of the Board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

That is one of the important points of difference.

Moreover, commencing in line 17, page 5, of our amendment, we require the Administrator to present "to the Board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the Board and the Board shall make written recommendations to the Price Administrator."

Those distinctions are very real, and consequently the record which is to go to the Emergency Court of Appeals in the review provided may very easily differ in many radical particulars.

Mr. MURDOCK. That is the point I desire to raise. The Senator seems to be able to read into the language much more than I can find in it. The record on which the protestant goes into the Emergency Court of Appeals is practically identical regardless of which procedure is followed.

Will the Senator yield further?

Mr. DANAHER. Yes.

Mr. MURDOCK. So far as the oral argument is concerned, certainly he cannot take into the Court of Appeals the oral argument which he has made before the Board under the Office of Price Administration.

Mr. DANAHER. Let me point out to my very good friend, the Senator from Utah, whose judgment I respect, and whose friendship I enjoy, that in the existing law, in section 203 (b) we find this sentence:

In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

We do not find that in the committee amendment which has been unanimously recommended by the committee, including the Senator from Utah, for in this new procedure before the board—

The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate.

In other words he must produce before the board the economic data. It does not take judicial notice of Rand-McNally's map of 1942 as to where the channel was before the storm.

Mr. MURDOCK. Is not practically the only difference in the record made in the Emergency Court of Appeals that with respect to the economic data? In the one instance the Administrator must produce the economic data before the board, and in the other instance he may simply have it in his mind. Under the present law, that is, under present procedure, he is required to set out the grounds, including the economic data.

The language of the law is as follows:

Sec. 203 (a) * * * In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

So that to all intents and purposes, as I read the two sections, identical records go to the Emergency Court of Appeals, whether it is under the old procedure or under the new.

Mr. DANAHER. I know, Mr. President, that the attendance of the Senator from Utah upon the committee sessions was so faithful and so constant that I would not have my colleagues think that he had not read the amendment which is before the Senate, and for which he voted. He voted for what I am about to read:

The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator.

Consequently, instead of having what in effect might be considered to be an ex parte mental taking of judicial notice by the Administrator of such economic data as he wishes to consider, he now will present that data to the board, whereupon the protestant may file rebuttal evidence and thus for the first time there would be challenged on the record, and for the record, the evidence which will ultimately go as a part of the record to the Emergency Court of Appeals.

There is that very real difference in the two sections, and I know the Senator from Utah was convinced that it was a desirable result. In fact, the committee was unanimous in its recommendations in this respect. So, Mr. President, actually the only thing remaining in this section is to be found on page 6, in subsection (c) where we provide for the basis of getting into court, and the time within which to get into court, to the end that an undue delay by the Administrator

may be a ground upon which the protestant may go to the Emergency Court of Appeals.

We also give the court jurisdiction by appropriate order to require the Administrator to dispose of the protest within such time as may be fixed by the court, and that is to the end that the Administrator will not be hurried, and that he will not be flooded by a great number of extra cases, if there should be any. If he needs more time he will receive more time.

So, Mr. President, there is going to be an ample and a facile way by which the Administrator can spell out or space over the hearings in such fashion as to cause no undue harm, and at the same time all protestants and all those properly aggrieved may have their day in court and a chance to be heard.

Mr. President, that is the American way.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Nebraska.

Mr. WHERRY. I should like to ask the distinguished Senator from Connecticut why it is that in the so-called protestant's procedure and also in the procedure of suit for damages, the one charged with the violation is not given the same opportunity to present a complaint before the Administrator or through the appeal board appointed by the Administrator, and opportunity for the same relief afforded as in a criminal suit.

What I mean by that is that in a criminal procedure it is provided that when a complaint is made against the Administrator, setting forth objections to the validity of any provision which the defendant is found to have violated, the district court shall grant relief with respect to any objection which it finds is made in good faith, and with respect to which it finds there is a reason and a substantial excuse for the defendant's failure to present objection and protest in accordance with section 203 (a).

What I should like to know is why the same right is not accorded to one who in a civil suit is charged with a violation, as is afforded in a criminal suit, to come into the district court, or the Emergency Court of Appeals, and there put up as a defense any valid defense he has, as, for example, that the maximum ceiling price was established below the stabilization price which was intended by Congress when it passed the act in 1942. Why does he not have that right?

Mr. DANAHER. Mr. President, let me point out that that question is in no way whatever related to the pending amendment. It has nothing to do with the problem under consideration. There is a complete answer to it which I should like to make in due course, but for the present let me make the succinct answer that members of the committee who have lived with the Emergency Price Control Act from the beginning are in favor of trying to center within the administrative agency itself a reasonably adequate method of administrative review. That is the first objective.

Second, we wish to have uniformity of decision under regulations and orders of the Office of Price Administration, and so we center all appellant review in the Emergency Court of Appeals, and ultimately, of course, the United States Supreme Court.

Therefore, Mr. President, to the end that there may not be in every one of the 80 or 90 United States districts in which criminal proceedings could be brought for violations an equal number of divergent opinions as to the validity of a regulation or order, we say—to answer now specifically the question of the Senator from Nebraska—if an individual is charged criminally with a violation of an emergency price-control regulation or order he may proceed to trial, he may be convicted, but he shall nonetheless be able to get a stay of execution, to the end that there may be a decision by the very same Emergency Court of Appeals which rules on all other phases of the validity of the regulations and orders of the Office of Price Administration. Consequently, Mr. President, it is eminently desirable that we not have a Maryland court decide one way, a Nebraska court decide another way, and a Connecticut court decide a third way, all on the same order. That is the reason why we wish to permit the appellant in a criminal case to go to the Emergency Court of Appeals to challenge then the validity or the constitutionality of the regulation or order, with the violation of which he is charged.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. DANAHER. In a second I shall be glad to yield.

That is a very different process from the administrative review in the Emergency Court of Appeals. Moreover, the Senator from Nebraska should note that under the Price Control Act, whenever the O. P. A. comes forward and asks for an injunction, it may go into the local court, it may go into the State or territorial court, or it may go into the district court. But the individual who is inveighed against civilly has not been denied due process, if we adopt the amendment which I have offered, which will give him time to obtain adequate administrative review; because we are creating the remedy—and that is why we are doing it—in order that there may be no denial of due process.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me?

Mr. DANAHER. I previously said I would yield to the Senator from Nebraska, so I yield first to him.

Mr. WHERRY. Mr. President, relative to the procedure in appealing to the Emergency Court of Appeals, I agree with the Senator that that is not in issue. I am simply asking this: Under the procedure which the Senator would establish by his amendment, in filing a protest or a defense before the court, why should the protestant be restricted to the right to do nothing more than protest any order, regulation, or price schedule which the Administrator might issue? Why should he not have the right under this civil procedure, the same as under a criminal procedure, to go into court and

set up any valid defense he might have, whether in a suit for damages or in this procedure or in any other procedure? What is the reason for not giving him that right?

Mr. DANAHER. For the reason that we are giving him the remedy. That is what is involved in section 106. Everyone who is aggrieved by an order, if section 106 is adopted, will have 60 days within which to protest.

Mr. WHERRY. I understand that.

Mr. DANAHER. Anyone who is aggrieved by a future order will have 60 days within which to protest.

Mr. WHERRY. But under that, we do not set up the defense by which he may go beyond what the regulation or the directive was.

Mr. RADCLIFFE. Mr. President, if the Senator will yield to me for a moment, I should like to say that I think the Senator from Connecticut has stated the situation very clearly and emphatically. The only reason why I interrupt now is to refer to the following language in section 204 (c) of the original Price Control Act, on page 10:

There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations.

There the situation is explained.

As the Senator from Connecticut has just pointed out, the Emergency Court of Appeals is not different in its personnel from the judges who now sit in the Federal courts. There is certainly no reason why every judge of the district courts and every judge of the circuit court of appeals might be brought into the picture. Certainly it is a much more orderly procedure to have an arrangement by which the judges of the district courts and the judges of the circuit courts of appeals are selected by the Chief Justice of the United States. Certainly the protestant is not being denied any of his rights while he is able to go into a court which is made up of judges who are already sitting, and who are selected for this particular purpose by the Chief Justice of the United States. It seems to me that is a much more orderly way, and it gets away from the diffuse methods which the Senator from Connecticut pointed out would be used if we did what the Senator from Nebraska suggested. Due process of law or reasonable opportunity for access to court does not mean that every litigant can go to any Federal court. He has his day in court if he goes to the judges selected by the special purposes set up by statute.

Mr. DANAHER. Mr. President, I thank the Senator from Maryland.

There is also a further answer to the point raised by the Senator from Nebraska. Whatever else we might like to do at this time, some 2½ years after the adoption of the original Price Control Act, the fact remains that the act and its

ramifications and the regulations and orders promulgated under it sweep all the way from Eastport to San Diego. They reach throughout all the Territories and possessions of the United States. Our whole economy is geared to it. There is no question in my mind, for example, that there have been phases of policy and applications of rules and regulations which have gone contrary to the original congressional intent. I have no doubt there have been instances in which the court could properly find, and perhaps did find, that a given regulation or order is in fact invalid. I have no doubt that the Office of Price Administration itself has applied correctives in hundreds and hundreds of cases in which it itself has found that an error was committed, and I give it credit for doing so. But if we can channel the original intent back into the O. P. A. and can give the O. P. A. a chance to correct the administration of the act and, if it does not correct it, give the Emergency Court of Appeals a chance to review it, then—if that has been done—there cannot be said to be any denial of due process.

So far as the criminal side is concerned, the situation involved is very different from the situation involved in the purely civil side of any case. In the criminal side an individual's liberty is at stake. So, to make absolutely certain, I turn to page 23 of the slip copy of the Supreme Court's report of a case decided on March 27, 1944, the case of *Albert Yakus*, petitioner, against the United States of America. In that case the Court said in the majority opinion:

We have no occasion to decide whether one charged with criminal violation of a duly promulgated price regulation may defend on the ground that the regulation is unconstitutional on its face.

So that question was not before the Court.

I read further from the majority opinion:

Nor do we consider whether one who is forced to trial and convicted of violation of a regulation, while diligently seeking determination of its validity by the statutory procedure, may thus be deprived of the defense that the regulation is invalid.

So that question was not before the Court.

But in what we have done we have perfected the two points as to which the Supreme Court had entered no decision, to the end that there can be no question of the denial of or the existence of due process. Thus we afford a remedy which is a complete answer in both those respects, because we give the citizen time within which he can file the protest. If there is anyone in Connecticut who does not like the existence of a regulation or order which was issued on October 31, 1942, but who failed within 60 days to file his protest, we say he can file his protest now; and if there is anyone in Nebraska who did not file his protest in January 1943, we say he can come forward and file his protest now.

We do that just the same as we do it as to all future orders. The only point of difference between the members of the committee in this particular is this: Shall we permit those who file protests

as to outstanding regulations or orders to have 30 days within which to petition for a review by the board of review and the O. P. A.? That is the only question.

As to all outstanding orders, we give them only 30 days to file a petition for a hearing before the board of review. They do not even have to go to the board of review if they do not wish to do so. It is at their option. But at the very least, there will be no denial of due process if the amendment which a large number of us on the committee previously supported, and still support, shall be adopted. That is why we urge that the Senate take the date of August 1, 1944, instead of the committee date of September 1, 1944.

So saying, Mr. President, I close my presentation on the pending question.

Mr. ELLENDER. Mr. President, will the Senator yield to me for a question?

Mr. WHERRY. Mr. President, did not the Senator agree that he would yield to me for a question?

Mr. DANAHER. I beg the Senator's pardon; I thought he had asked the question he wished to ask.

Mr. WHERRY. No; I had not. My question is this: What is the difference in result as between a man who has a criminal proceeding lodged against him, and who may have to be jailed, and a man who in some of the triple-damage proceedings has a fine levied against him, who will be jailed unless he pays the fine? I do not see any difference.

I am not complaining about the right which is created; but I think every man, whether in a civil suit or in a criminal suit, should have every right which accrues to him. In this instance the right is given to him in a criminal proceeding, but not in a civil suit.

Mr. DANAHER. Mr. President, I think the answer is that he does have it in a civil suit. Let me point out to the Senator that on page 13 of the act there is provided the basis on which the Administrator may apply to any territorial court or district court for an order suspending the license of a person to do business for a period of not more than 12 months. There is no question that civil proceedings in that type of action would lie, just the same as in any other type of civil action.

Mr. WHERRY. There is no place in that procedure to raise the question of the validity of a defense. That is what I am talking about.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. TAFT. I think the Senator from Nebraska is speaking of section 107, at the bottom of page 6, which amendment we have not as yet reached.

Mr. WHERRY. That is what I am talking about.

Mr. TAFT. The language is:

(e) Within 5 days after judgment in any criminal proceeding brought pursuant to section 205 (b) for the violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the district court for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity

of any provision which the defendant has been found to have violated.

Mr. DANAHER. I will ask the Senator from Nebraska if he is speaking about lines 20 to 25, inclusive, at the bottom of page 7 of the committee amendment.

Mr. WHERRY. Mr. President, I will answer the distinguished Senator from Connecticut if he will bear with me. In this discussion there was read the language on pages 5 and 6, showing how the protest procedure is carried out, to the Emergency Court of Appeals. It is my opinion that under that procedure one who was protesting a price regulation would have the opportunity to dispute or contend only with respect to the price violation, or the regulation itself.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. TAFT. I think I understand the Senator's point. Section 107 provides that in a criminal case, even though the 60 days have expired so that the validity of the regulation cannot be challenged, the defendant may raise that question; and if the court is satisfied that he has some good excuse for not filing within 60 days, the question will be referred to the Emergency Court of Appeals for determination of the validity of the regulation. If the regulation is held to be valid, the case will come back, and perhaps he may be convicted. If the regulation is held to be invalid, the criminal prosecution will come to an end.

The objection of the Senator from Nebraska is a point which was not raised in the committee. That procedure does not apply to a suit for triple damages. I believe the Senator from Nebraska is correct in his interpretation of the law. If a man is sued for triple damages, and the 60 days have expired, he can in no way raise the question of the validity of the regulation. I think the Senator correctly states the law. I do not believe that question is before us in connection with the pending amendment. If the Senator desires to do so, he may offer an amendment to that section when it is reached. I do not believe the question was discussed in the committee at all. Subsequently, I discussed it with the Office of Price Administration, and that agency opposed the extension, but I do not believe the question was discussed in the committee.

Mr. BARKLEY. Mr. President, the Senator from New York [Mr. WAGNER] has indicated that he desires to suspend at this point.

Mr. LUCAS. Mr. President, I submit an amendment which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

INVESTIGATION OF SUPPLY AND DISTRIBUTION OF HYDROELECTRIC POWER

Mr. McFARLAND. Mr. President, in May 1943, the Senate adopted Senate Resolution 155, authorizing an investigation with respect to the supply and distribution of hydroelectric power. The resolution authorized the Committee on Interstate Commerce to conduct the in-

vestigation. It now appears that the investigation should be conducted by the Committee on Irrigation and Reclamation.

I submit a resolution to amend the provisions of Senate Resolution 155 so as to transfer the investigation from the Committee on Interstate Commerce to the Committee on Irrigation and Reclamation, and ask unanimous consent for its present consideration. I have consulted the chairman of the Committee on Interstate Commerce [Mr. WHEELER], and he agrees with me that the investigation should be conducted by the Committee on Irrigation and Reclamation.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 304) was considered and agreed to, as follows:

Resolved, That the resolution (S. Res. 155) authorizing an investigation with respect to the supply and distribution of hydroelectric power, agreed to on June 26 (legislative day, May 24), 1943, be, and the same is hereby, amended as follows:

In line 1, strike out the words "Interstate Commerce" and insert in lieu thereof the words "Irrigation and Reclamation";

In line 4, after the symbols and figure "(1)", insert the following words: "The present and future need for development of projects for irrigation and hydroelectric power and";

And on page 1, on page 2 in the first sentence under subdivision (5), strike out the words "hydroelectric plants" and insert in lieu thereof the word "projects."

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

CONFIRMATION OF POSTMASTER NOMINATIONS

Mr. BARKLEY. Mr. President, there are only two postmaster nominations on the Executive Calendar. I ask unanimous consent that, as in executive session, the nominations be confirmed, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 6, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 5 (legislative day of May 9), 1944:

FARM CREDIT ADMINISTRATION

Ivy W. Duggan, of Mississippi, to be Governor of the Farm Credit Administration for the unexpired term of 6 years from June 15, 1940. Vice Albert G. Black.

DEPARTMENT OF AGRICULTURE

Charles Franklin Brannan, of Colorado, to be Assistant Secretary of Agriculture. Vice Grover B. Hill.

IN THE NAVAL RESERVE

Capt. Ellery W. Stone, U. S. N. R., to be a rear admiral in the naval reserve, for temporary service, to continue while serving as deputy to the President of the Allied Control Commission (Italy).

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

(Those officers whose names are preceded by the symbol (X) are subject to examination required by law. All others have been examined and found qualified for promotion.)

To be lieutenant colonel with rank from June 13, 1944

Maj. Morris Haslett Marcus, Cavalry (temporary colonel).

Maj. Frank Zea Pirkey, Corps of Engineers (temporary colonel).

Maj. Karl William Hisgen, Field Artillery (temporary colonel).

Maj. James Harry Marsh, Infantry (temporary colonel).

Maj. Francis Warren Crary, Field Artillery (temporary colonel).

X Maj. John Baylis Cooley, Adjutant General's Department (temporary colonel).

Maj. Selby Francis Little, Field Artillery (temporary lieutenant colonel).

Maj. Milo Glen Cary, Coast Artillery Corps (temporary colonel).

Maj. Harold Joseph Conway, Ordnance Department (temporary colonel).

Maj. Gustin MacAllister Nelson, Infantry (temporary colonel).

Maj. Frank Joseph Spettel, Infantry (temporary lieutenant colonel).

Maj. Burwell Baylor Wilkes, Jr., Infantry (temporary colonel).

To be major with rank from June 14, 1944

Capt. Hans William Holmer, Corps of Engineers (temporary lieutenant colonel).

Capt. Harold Albert Kurstedt, Corps of Engineers (temporary colonel).

Capt. Edward Grow Daly, Corps of Engineers (temporary colonel).

Capt. Donald Chamberlin Hawkins, Corps of Engineers (temporary colonel).

Capt. Theodore Addison Weyher, Ordnance Department (temporary colonel).

Capt. Robert Hammiel Naylor, Corps of Engineers (temporary colonel).

Capt. Paul Dunn Berrigan, Corps of Engineers (temporary colonel).

Capt. Henry Gordon Douglas, Corps of Engineers (temporary colonel).

Capt. Joseph Winston Cox, Jr., Corps of Engineers (temporary colonel).

Capt. George Townsend Derby, Corps of Engineers (temporary colonel).

Capt. Max Sherred Johnson, Corps of Engineers (temporary colonel).

Capt. Lee Bird Washbourne, Corps of Engineers (temporary colonel).

Capt. John Robert Crume, Jr., Corps of Engineers (temporary colonel).

Capt. George Woodburne McGregor, Air Corps (temporary colonel).

Capt. John Leonard Hines, Jr., Cavalry (temporary lieutenant colonel).

Capt. Charles Albert Harrington, Air Corps (temporary colonel).

Capt. Charles H. McNutt, Corps of Engineers (temporary colonel).

Capt. Herman Walter Schull, Jr., Corps of Engineers (temporary colonel).

Capt. Elmer Blair Garland, Signal Corps (temporary colonel).

Capt. Loren Davis Pegg, Cavalry (temporary lieutenant colonel).

X Capt. Garrison Holt Davidson, Corps of Engineers (temporary brigadier general).

Capt. Woodbury Megrew Burgess, Cavalry (temporary colonel).

Capt. Manuel José Asensio, Corps of Engineers (temporary colonel).

Capt. Cecil Winfield Land, Field Artillery (temporary lieutenant colonel).

Capt. Frederick Everett Day, Coast Artillery Corps (temporary lieutenant colonel).

Capt. Frederic Joseph Brown, Field Artillery (temporary colonel).

Capt. Edwin William Chamberlain, Coast Artillery Corps (temporary colonel).

Capt. Alvin Louis Pachynski, Signal Corps (temporary colonel).

Capt. Harry Oliver Paxson, Corps of Engineers (temporary colonel).

Capt. Henry Joseph Hoeffer, Corps of Engineers (temporary colonel).

X Capt. Maurice Francis Daly, Air Corps (temporary colonel).

Capt. Fred Wallace Kunesh, Signal Corps (temporary colonel).

Capt. Alexander Macomb Miller 3d, Cavalry (temporary colonel).

Capt. Gerald Francis Lillard, Field Artillery (temporary colonel).

Capt. George Fenton Peirce, Coast Artillery Corps (temporary lieutenant colonel).

Capt. William Hamilton Hunter, Cavalry (temporary lieutenant colonel).

Capt. Francis Cecil Foster, Field Artillery (temporary lieutenant colonel).

Capt. James Wilson Green, Jr., Signal Corps (temporary colonel).

X Capt. Parmer Wiley Edwards, Coast Artillery Corps (temporary colonel).

Capt. Francis Elliot Howard, Infantry (temporary colonel).

X Capt. Laurence Sherman Kuter, Air Corps (temporary major general).

Capt. William Perry Pence, Signal Corps (temporary colonel).

Capt. Thomas Morgan Watlington, Field Artillery (temporary colonel).

Capt. William Lewis McNamee, Coast Artillery Corps (temporary colonel).

X Capt. Thomas John Hall Trapnell, Cavalry (temporary lieutenant colonel).

X Capt. John Raymond Lovell, Coast Artillery Corps (temporary colonel).

Capt. Raymond Wiley Curtis, Cavalry (temporary colonel).

Capt. Kenneth Earl Thiebaud, Adjutant General's Department (temporary lieutenant colonel).

X Capt. Reynolds Condon, Field Artillery (temporary colonel).

Capt. Charles Brundy Brown, Signal Corps (temporary colonel).

Capt. Edward Gilbert Farrand, Field Artillery (temporary colonel).

Capt. Willard Burton Carlock, Infantry (temporary colonel).

Capt. George McCoy, Jr., Air Corps (temporary brigadier general).

Capt. George Lucien Richon, Signal Corps (temporary colonel).

Capt. Charles Richard Hutchison, Field Artillery (temporary colonel).

X Capt. Stanley Burton Bonner, Field Artillery (temporary major).

Capt. Edward Pont Mechling, Ordnance Department (temporary colonel).

Capt. Robert Graham Lowe, Cavalry (temporary lieutenant colonel).

Capt. George Edward Martin, Infantry (temporary lieutenant colonel).

Capt. John Milton Burdge, Jr., Field Artillery (temporary lieutenant colonel).

Capt. Bertram Arthur Holtzworth, Field Artillery (temporary colonel).

Capt. Frederick Andrew Granholm, Field Artillery (temporary colonel).

Capt. Charles Pennoyer Bixel, Cavalry (temporary colonel).

Capt. Robert Griffith Turner, Infantry (temporary lieutenant colonel).

Capt. Alex Norwood Williams, Jr., Field Artillery (temporary colonel).

Capt. Jeremiah Paul Holland, Field Artillery (temporary lieutenant colonel).

Capt. John Mills Sterling, Air Corps (temporary colonel).

officers, to have an open court martial at the earliest practical date. Military security does not now necessitate secrecy concerning Pearl Harbor. That time has passed. The pending resolution has great merit, and I hope it will have overwhelming support.

Mr. BREHM. Can the gentleman tell us why the ultimatum was ever delivered to Japan and the information not conveyed to our armed forces?

Mr. CHURCH. Let me say to the distinguished gentleman from Ohio that is one of the principal reasons for the necessity for an early and complete investigation.

(Mr. CHURCH asked and was given permission to revise and extend his remarks.)

Mr. SPRINGER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HOFFMAN. Mr. Chairman, from the time when our forefathers fought the Indians and were in turn sometimes scalped, sometimes killed and sometimes tortured by them, our people have always had an admiration for and confidence in our fighting men. There has never been a time when the American people did not believe that their sons, brothers, husbands, and fathers were the best fighting men, possessed of the greatest courage of any soldier or sailor in the world, of any man, who ever took part in battle. That is true today.

Today our people are convinced that the men we send to war are not excelled by any fighting man anywhere in courage, resourcefulness, fighting ability, or determination to win.

Those directing the course of the war, those commanding our fighting men, should so conduct themselves as to merit a like faith and confidence. They will not merit, they will not be accorded, that confidence, if deception or evasion keeps from them the facts of this war, and it matters not at all how unpleasant or disagreeable or what suffering the knowledge may bring to them; they will carry through.

Our people did not want this war, there is no question about that. Throughout the country there is today no enthusiasm for this war but today, as always, having once put our hand to the plow, our people are not disposed to and will not turn back until the war has been won. Nevertheless, because there is lack of confidence in some members of this administration, our people are not in all things enthusiastically supporting the war effort. They are supporting it determinedly, they are doing it consistently and they will continue to do so because it is now their job and because their loved ones are in the battle. But they are not buying bonds with the spirit and willingness they should. There are some other things they are not doing with the singlemindedness they should show. Some of the workers in the factories are not bending every effort toward production. Some industrialists and some merchants still have the dis-

tracting idea of a profit before their eyes and in their minds.

A war which is popular and a war in which the people have their hearts as well as their fighting men, would not require an advertising campaign to sell bonds; yet we hear day after day that shortly there will be a bill before the House requiring an appropriation of millions of dollars to purchase space in publications in order to induce the people to buy bonds to get the money which we know the administration or the Government must have if the fighting forces are to be properly supported.

What is wrong? Why is it that people do not buy bonds enthusiastically? It is because there is a lack of confidence in the administration. There has been altogether too much playing at war. There have been too many purely political issues raised from time to time, each distracting and leading to confusion and disunity.

There has been a lack of confidence because of various policies followed by the politicians inside the administration. One of the things which has created suspicion, justly, or unjustly, no matter how—it is there—in the minds of the people has been the fact that they have never been able to learn what happened to our fighting men at Pearl Harbor.

They are satisfied that the men who fight, the privates in the ranks, those who do the actual fighting, were not at fault. You never will be able to make our people believe, no one will ever be able to make our people believe, that the Pearl Harbor catastrophe was caused by a lack of courage or because of a lack of willingness to make the supreme sacrifice on the part of those who were called upon to meet the shock of that assault, nor will our people believe the loss was due to lack of equipment or of ammunition or arms.

Our people believe that that calamity was caused by some neglect on the part of someone higher up and they want to know whether it was those two men who were relieved of command, someone subordinate to them or whether the disaster is chargeable to the Commander in Chief, to the State Department, or someone in between.

In no war we have ever fought have our people for one instant ever faltered. Never have they been dismayed by any disaster. Never have individuals at the battle front or here at home turned back because of losses sustained in battle.

If men can fight and suffer and die, if men can face being blown to pieces, burned to death, drowned, starved, or dying of wounds on the battle front because of lack of medicinal supplies or surgical attention, surely our people here at home can make the minor sacrifices, endure the lesser suffering, which comes with the loss in battle of their loved ones.

All our people have ever asked of any administration during any war is that they be told the truth as to the losses which have been sustained, of the task remaining to be performed, of the faults, of the lack of ability, of the mistakes of those in command, so that the errors, whatever they may be, may be

corrected, the losses repaired, the danger overcome.

There is no longer any excuse for postponing the giving to our people by a public trial of the facts connected with the Pearl Harbor disaster. Continued delay will but result in the loss through death or the passage of time of some of the evidence which might reveal the truth. Delay but covers up the mistakes, it may be of someone who may still be in high command, whose continued mistakes may result in the death of other men.

Our people have the right, as this war goes on, to know the truth. If the fault lies with someone still in authority, the desire of that individual or of those individuals to continue in command is no reason why they should not be exposed, further mistakes prevented by their removal from positions of trust and of authority.

Something has been said to the effect that it is unfair, unjust, to the two individuals most frequently mentioned to longer deny to them a public trial, where their side of the story may be heard. All that is quite true. But, as members of the armed forces, I am sure they would not complain if that sacrifice was required of them. That, and their reputations, and the humiliation which might come to the members of their families or their descendants could be numbered as other and additional casualties of the war.

To me it is evident that the two men whose names have been linked to this disaster have been quite willing to bear with the disgrace they have suffered, because of the delay. But there is the greater question of restoring the confidence of our people in the high command. That can be done only when the truth has been told, when the facts are laid before the people and those responsible are removed from positions where further loss might result from future mistakes.

In justice to the American people, let us have a speedy public trial.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMNERS of Texas. We want to conclude general debate. I understand in order to do that a request has to be made that the bill be read for amendment?

The CHAIRMAN. That is correct.

Mr. MARTIN of Massachusetts. The first paragraph?

Mr. SUMNERS of Texas. Yes.

Mr. MARTIN of Massachusetts. There will be no effort made to adopt amendments?

Mr. SUMNERS of Texas. No. Mr. Chairman, I ask that the bill be read for amendment.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Resolved, etc., That (1) effective as of December 7, 1943, all statutes, resolutions, laws, articles, and regulations, affecting the

possible prosecution of any person or persons, military or civil, connected with Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, that operate to prevent the court martial or prosecution of any person or persons in military or civil capacity, involved in any matter in connection with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, are hereby extended for a further period of 3 months, in addition to the extension provided for in Public Law 208, Seventy-eighth Congress.

(2) The Secretary of War and the Secretary of the Navy are severally directed to institute court-martial proceedings on all charges against any person, to whose court martial the extension of time provided for in section (1) hereof relates, as soon as possible, and in no event later than the period of extension provided for in section (1) hereof.

Mr. SUMNERS of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BARDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the resolution (H. J. Res. 283) to extend the time limit for immunity, had come to no resolution thereon.

MINORITY REPORT

Mr. KILBURN. Mr. Speaker, I ask unanimous consent that I may be permitted to file a minority report from the Civil Service Committee and that it be printed along with the majority report, permission for which was asked earlier in the day.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. KILBURN]?

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. SHORT] may be permitted to extend the remarks he made in the Committee of the Whole today and to include therein editorials and articles from newspapers.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. KEFAUVER] may have permission to revise and extend the remarks he made in the Committee of the Whole this afternoon, also a separate request that the same gentleman may be permitted to extend his own remarks in the RECORD and to include therein a table.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend the remarks I made in the Committee of the Whole this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on tomorrow at 11 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

EXTENSION OF REMARKS

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement I released to the press this afternoon concerning certain publications and radio comments.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. KLEBERG]?

There was no objection.

[The matter referred to appears in the Appendix.]

CONSTRUCTION OF BRIDGE ACROSS MONONGAHELA RIVER, PA.

Mr. WEISS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4206) to authorize the construction and operation of a bridge across the Monongahela River in the county of Allegheny, Pa., which was on the Consent Calendar today and passed over without prejudice.

The Clerk read the title of the bill.

The SPEAKER. The Chair understands that the gentleman from Pennsylvania has consulted with the gentlemen who are objectors, or those who objected to the bill and that they have withdrawn their objections; is that correct?

Mr. WEISS. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. WEISS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the county of Allegheny, Pa., its successors and assigns, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto at any or all of the following points within the county of Allegheny, Pa.:

With the following committee amendment:

Page 1, line 7, after the word "a", insert "free highway."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the construction and operation of a free highway bridge across the Monongahela River in the county of Allegheny, Pa."

A motion to reconsider was laid on the table.

CONSTRUCTION OF BRIDGE ACROSS THE MONONGAHELA RIVER, PA.

Mr. WEISS. Mr. Speaker, I ask unanimous consent for the immediate con-

sideration of the bill (H. R. 4207 to authorize the construction and operation of a bridge across the Monongahela River in the county of Allegheny, Pa., which was on the Consent Calendar today and passed over without prejudice.

The Clerk read the title of the bill.

The SPEAKER. The Chair understands the same arrangement has been made with reference to this bill by the gentleman from Pennsylvania?

Mr. WEISS. That is correct.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the county of Allegheny, Pa., its successors and assigns, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto at any or all of the following points within the county of Allegheny, Pa.:

(a) Across the Monongahela River, at a point suitable to the interests of navigation, from the borough of Rankin, Pa., to the borough of Whitaker, Pa., to replace the existing Rankin Bridge, all in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. Construction of the bridge authorized by this act shall commence within 3 years after its approval by the President of the United States, and shall be completed within 5 years from the time of the said approval.

SEC. 3. In the event that the United States War Department, Corps of Engineers, has previously held hearings and approved plans and permit issued thereon by the Secretary of War for the aforesaid bridge under the terms of an act of Congress authorizing construction of the said bridge, Public Act No. 210 of the Seventy-sixth Congress, the Secretary of War is authorized by this section to issue a permit for the construction of the said bridge according to the plans previously approved by the United States Department of War, Corps of Engineers.

SEC. 4. The right to alter, amend, or repeal this act is expressly reserved.

With the following committee amendment:

Page 1, line 7, after the word "a", insert "free highway."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to authorize the construction and operation of a free highway bridge across the Monongahela River in the county of Allegheny, Pa."

RESOLUTION FOR THE CONSIDERATION OF H. R. 4941

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. SABATH] may have until midnight tonight to file a privileged resolution for the consideration of H. R. 4941.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

CORRECTION OF RECORD

Mr. COLE of Missouri. Mr. Speaker, on June 3 in the colloquy between the gentleman from Missouri [Mr. CANNON] and myself, at the top of page 5333, a part of the remarks made by the gentleman from Missouri [Mr. CANNON] is included in my remarks. In other words, the printer has neglected to put in there "Mr. CANNON of Missouri." I ask unanimous consent that the correction may be made in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. COLE]?

There was no objection.

EXTENSION OF REMARKS

Mr. CARSON of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article entitled "A Plea for the Faith of Our Fathers."

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. CARSON]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. SPRINGER]?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution and a table.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. O'KONSKI]?

There was no objection.

[The matter referred to appears in the Appendix.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LARCADE, for 2 days, on account of official business.

To Mr. LEWIS (at the request of Mr. MCGREGOR), for 10 days, on account of illness.

To Mr. STARNES of Alabama (at the request of Mr. SPARKMAN), for today and the next 2 days, on account of illness in family.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1941. An act to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2085. An act to provide for the disposition of tribal funds of the Minnesota Chippewa Tribe of Indiana; and

H. R. 3054. An act to amend the Expediting Act.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 6, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, June 6, 1944)

There will be a meeting of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, June 6, 1944, to begin public hearings on bills extending the Civilian Pilot Training Act.

SELECT COMMITTEE TO INVESTIGATE MONTGOMERY WARD & CO. SEIZURE

(Tuesday, June 6, 1944)

The Select Committee to Investigate the seizure of Montgomery Ward & Co. will hold a public hearing Tuesday, June 6, 1944, at 10 o'clock a. m. in the Ways and Means Committee hearing room, New House Office Building. Mr. Sewell Avery, chairman of the board of directors of Montgomery Ward & Co., will be a witness.

COMMITTEE ON PATENTS

(Wednesday, June 7, 1944)

The House Committee on Patents will meet at 10:30 a. m., Wednesday, June 7, 1944, in Committee Room, 416 House Office Building, to consider H. R. 3762.

COMMITTEE ON INVALID PENSIONS

(Thursday, June 8, 1944)

The Committee on Invalid Pensions will hold hearings on Thursday, June 8, 1944, at 10 o'clock a. m., in the committee room, 247 House Office Building, on H. R. 919 and H. R. 1014, to provide pensions for peacetime veterans at the rate of 90 percent of the compensation payable to war veterans for similar service-connected disabilities, introduced by Chairman LESINSKI, and H. R. 1005, entitled "A bill to increase and equalize the pensions of those persons disabled as the result of service in the Army, Navy, Marine Corps, and Coast Guard," introduced by Representative HENDRICKS, of Florida.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Tuesday, June 13, 1944)

The Committee on the Merchant Marine and Fisheries will continue its consideration of H. R. 4486, relative to the post-war disposition of merchant vessels, on Tuesday, June 13, 1944, at 10 a. m.

Persons desiring to be heard should notify the clerk of the committee in writing as soon as possible.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1611. A letter from the Acting Secretary of the Interior, transmitting pursuant to

section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John; to the Committee on Insular Affairs.

1612. A letter from the Administrator, Federal Security Agency, transmitting Consolidated Form No. 3257, Report of Federal Civilian Employment, for the Federal Security Agency for the month of April 1944; to the Committee on the Civil Service.

1613. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 157 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROBINSON of Utah: Committee on Roads. H. R. 4915. A bill to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans and acquisition of rights-of-way, and for other purposes; without amendment (Rept. No. 1597). Referred to the Committee of the Whole House on the state of the Union.

Mr. JARMAN: Committee on Printing. House Resolution 561. Resolution authorizing that the report from the Chief of Engineers, United States Army, dated August 27, 1941, submitting surveys and studies of the Hungry Horse Dam, Mont., and subsequent correspondence in relation thereto, be printed, with illustrations, as a House document; without amendment (Rept. No. 1594). Referred to the House Calendar.

Mr. JARMAN: Committee on Printing. House Resolution 562. Resolution authorizing that the report from the Chief of Engineers, United States Army, dated January 31, 1941, submitting surveys and studies of Youghiogheny River, Pa. and Md., and subsequent correspondence in relation thereto, be printed, with illustrations, as a House document; without amendment (Rept. No. 1595). Referred to the House Calendar.

Mr. JARMAN: Committee on Printing. House Resolution 560. Resolution authorizing that the report from the Chief of Engineers, United States Army, dated October 15, 1941, submitting surveys and studies of the Cheat River and tributaries, West Virginia, and subsequent correspondence in relation thereto, be printed, with illustrations, as a House document; without amendment (Rept. No. 1596). Referred to the House Calendar.

Mr. RAMSPECK: Committee on the Civil Service. Interim report pursuant to House Resolution 16. Resolution authorizing the Committee on the Civil Service to investigate various activities in the departments and agencies of the Government (Rept. No. 1600). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 582. Resolution providing for the consideration of H. R. 4941 to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act

of October 2, 1942, and for other purposes; without amendment (Rept. No. 1601). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURCH of Virginia:

H. R. 4949. A bill to amend the Second War Powers Act of 1942; to the Committee on the Post Office and Post Roads.

By Mr. SUMNERS of Texas:

H. R. 4950. A bill extending the provisions of Public Law No. 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; to the Committee on the Judiciary.

By Mr. VINSON of Georgia:

H. R. 4951. A bill to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy; to the Committee on Naval Affairs.

By Mr. PETERSON of Florida:

H. R. 4952. A bill to allow credit in connection with certain homestead entries for military or naval service, and certain other services, rendered during the present war; to the Committee on the Public Lands.

By Mr. RANDOLPH:

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes; to the Committee on the District of Columbia.

H. J. Res. 290. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; to the Committee on the District of Columbia.

H. J. Res. 291. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops in the inaugural ceremonies; to the Committee on Public Buildings and Grounds.

By Mr. REED of New York:

H. Con. Res. 90. Concurrent resolution authorizing the printing of the manuscript containing an analysis of questions and answers on the Individual Income Tax Act of 1944

as a House document and providing for the printing of additional copies thereof for the use of the House document room; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to include Lake Pontchartrain within the flood-control program of the United States; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

By Mr. CLASON:

H. R. 4953. A bill for the relief of Angelina Bourbeau; to the Committee on Claims.

By Mr. LESINSKI:

H. R. 4954. A bill for the relief of Pedro Garcia Casanova or Melquiades Rojas; to the Committee on Immigration and Naturalization.

By Mr. McGEHEE:

H. R. 4955. A bill for the relief of Sigurdur Jonsson and Thorolína Thordardóttir; to the Committee on Claims.

By Mr. PÁGAN:

H. R. 4956. A bill for the relief of the minor children of the late Demetrio Caquias; to the Committee on Claims.

By Mr. SLAUGHTER:

H. R. 4957. A bill for the relief of Florence J. Syper, administratrix of the estate of Leona Connor Childers; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5790. By Mr. ANDREWS of New York: Resolution adopted by the Forest District Civic Association of Buffalo, N. Y., protesting against the enactment of legislation for the development of the St. Lawrence seaway project; to the Committee on Interstate and Foreign Commerce.

5791. By Mr. HALE: Petition of barbers and beauticians of Rumford, Maine, protesting against the placing of barber shops and beauty shops under the Price Control Act, as both are personal-service trades; to the Committee on Banking and Currency.

5792. By Mrs. SMITH of Maine: Petition of barbers and beauticians, of Augusta, Maine, protesting the proposal to place barber and beauty service under price-control law; to the Committee on Banking and Currency.

5793. Also, resolution adopted by the members of Loggia Cristoforo Colombo, No. 880, of the Order of the Sons of Italy in America, expressing gratefulness for the introduction of Resolution 50, proposing that the people of Italy be welcomed into the family of liberated nations; to the Committee on Foreign Affairs.

5794. By Mr. THOMAS of New Jersey: Petition of City Council of Garfield, N. J., in support of Senator HAWKES' bill, S. 1737; to the Committee on Ways and Means.

5795. Also, petition of the borough of Alledale, N. J., and the township of Saddle River, N. J., urging support of Senator HAWKES' bill, S. 1737; to the Committee on Ways and Means.

5796. By the SPEAKER: Petition of the Chamber of Commerce of the State of New York, petitioning consideration of their resolution with reference to amending the rent-control provisions of the Emergency Price Control Act; to the Committee on Banking and Currency.

5797. Also, petition of the Illinois State and Cook County boards of the Ancient Order of Hibernians and ladies' auxiliary, petitioning consideration of their resolution with reference to the strained relations between the United States Government and the Government of Eire; to the Committee on Foreign Affairs.

78TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } No. 1601

CONSIDERATION OF H. R. 4941

JUNE 5, 1944.—Referred to the House Calendar and ordered to be printed

Mr. SABATH, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 582]

The Committee on Rules, having had under consideration House Resolution 582, report the same to the House with the recommendation that the resolution do pass.



1.

2.

3.

78TH CONGRESS
2D SESSION

H. RES. 582

[Report No. 1601]

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 1944

Mr. SABATH, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the state of the Union
4 for the consideration of the bill (H. R. 4941) to extend the
5 period of operation of the Emergency Price Control Act of
6 1942 and the Stabilization Act of October 2, 1942, and for
7 other purposes, and all points of order against said bill are
8 hereby waived. That after general debate, which shall be
9 confined to the bill and continue not to exceed nine hours,
10 to be equally divided and controlled by the chairman and
11 ranking minority member of the Committee on Banking and
12 Currency, the bill shall be read for amendment under the

1 five-minute rule. It shall be in order to consider without
2 the intervention of any point of order any amendment which
3 may be offered to the bill embodying any of the sections or
4 paragraphs contained in the bill H. R. 4647. At the con-
5 clusion of the consideration of the bill for amendment, the
6 Committee shall rise and report the same to the House with
7 such amendments as may have been adopted and the previous
8 question shall be considered as ordered on the bill and amend-
9 ments thereto to final passage without intervening motion
10 except one motion to recommit.

House Calendar No. 277

78TH CONGRESS
2^D SESSION

H. RES. 582

[Report No. 1601]

RESOLUTION

Providing for the consideration of H. R. 4941,
a bill to extend the period of operation of
the Emergency Price Control Act of 1942
and the Stabilization Act of October 2, 1942,
and for other purposes.

By Mr. SABATH

JUNE 5, 1944

Referred to the House Calendar and ordered to be
printed

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CHANDLER to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz:

1 On page 10, line 23, strike out "subsection" and insert
2 in lieu thereof "subsections".

3 On page 11, after line 17, insert the following:

4 “(h) It shall be an adequate defense to any suit or
5 action brought under subsections (a), (e), or (f) (2) of
6 this section if the defendant proves that the violation of the
7 regulation, order, or price schedule prescribing a maximum
8 price or maximum prices was neither willful nor the result
9 of failure to take practicable precautions against the occur-
10 rence of the violation.”

AMENDMENTS

Intended to be proposed by Mr. CHANDLER to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GEORGE to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz:

1 On page 10, after the period at the end of line 20 of the
2 bill as reported, add the following: "Notwithstanding any
3 provision of this Act, the Emergency Price Control Act of
4 1942, or the amendment thereto of Act, October 2, 1942
5 (Public Law 729, Seventy-seventh Congress), all suits for
6 civil damages shall be brought in the district or county in
7 which the defendant against whom substantial relief is sought
8 resides or has a place of business, or office, or agent."

AMENDMENT

Intended to be proposed by Mr. George to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONEY to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert after section 3 of the Stabilization Act a new section 3A, reading as follows:

- 1 SEC. 3A. (a) The Economic Stabilization Director is
- 2 authorized and directed to formulate a comprehensive and
- 3 coordinated national program for the purpose of increasing
- 4 the supply and improving the quality of essential cotton
- 5 textiles and cotton textile products to the maximum extent
- 6 consistent with the effective prosecution of the war. Special
- 7 emphasis shall be given in the program to the production

1 and distribution of low-cost children's clothing, work cloth-
2 ing, and other low-cost staple cotton goods.

3 (b) Every agency of the Government concerned, di-
4 rectly or indirectly, with the production or distribution of
5 such cotton textiles or textile products is directed, in co-
6 operation with the Director and with each other, to utilize
7 its full legal authority to put the program promptly into
8 effect. So far as each may be authorized by law and to
9 the fullest extent necessary to effectuate the program, it
10 shall be the specific duty and responsibility—

11 (1) of the War Production Board to allocate neces-
12 sary facilities and materials to the production of the
13 commodities required by the program and to institute
14 appropriate restrictions when and to the extent that the
15 production or distribution of any commodity is incon-
16 sistent with the program;

17 (2) of the War Manpower Commission to take such
18 action as may be appropriate to avoid shortages of man-
19 power required by the program;

20 (3) of the Smaller War Plants Corporation to take
21 such action as will enable small business concerns to
22 participate to the fullest extent practicable in the pro-
23 gram; and

24 (4) of the Office of Price Administration to take
25 such action as may be necessary to remove price im-

1 pediments to the production or distribution of commod-
2 ities required by the program, including increases in
3 maximum prices where no practicable alternative exists
4 to carry out the purposes of this section and including
5 reductions in maximum prices either to offset such in-
6 creases or to prevent diversion from production or dis-
7 tribution of commodities required by the program.

8 (c) From time to time, but not less frequently than
9 once every ninety days, the Director shall transmit to the
10 Congress a report of operations under this section. If the
11 Senate or the House of Representatives is not in session,
12 such report shall be transmitted to the Secretary of the
13 Senate or the Clerk of the House of Representatives, as the
14 case may be.

AMENDMENT

Intended to be proposed by Mr. MALONEY to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. STEWART to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the end of title II of the bill add the following section:

1 SEC. 205. Section 3 of the Act of October 2, 1942
2 (Public Law 729, Seventy-seventh Congress), is hereby
3 amended by adding a new paragraph to read as follows:

4 “PERISHABLE COMMODITIES

5 “Whenever a maximum price is established on any fresh
6 fruit or fresh vegetable, including potatoes, adequate allow-
7 ances shall be made for hazards of production and market-

1 ing of such commodities throughout the crop year, including
2 increased costs due to crop losses which have resulted or
3 may result from such hazards. If a maximum price has
4 been established on any such commodity, the Price Ad-
5 ministrator shall take immediate action to review and increase
6 such maximum price from time to time by making further
7 allowances to the extent necessary to compensate for sub-
8 sequent substantial changes in such conditions including sub-
9 stantial reductions in merchantable crop yields.”

AMENDMENT

Intended to be proposed by Mr. STEWART to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz:

1 At the proper place in the bill add the following:
2 *“Provided, That notwithstanding the provisions of law no*
3 agent, bureau, or department of the Government shall be
4 authorized to fix, establish, or maintain any price ceiling on
5 crude petroleum below the parity price per barrel as shall
6 be determined by the application of the parity law ‘in the
7 case of all kinds of tobacco except burley and flue-cured’
8 (par. (1) of (a) of sec. 301 of subtitle A of title

1 III of Agricultural Adjustment Act of 1938, as amended) :
2 *Provided further*, That the provisions of this paragraph shall
3 be applicable to effect an average price of the various grades
4 of crude petroleum throughout the United States at parity
5 as above defined: *And provided further*, That the Director
6 of the Office of Price Administration shall proceed imme-
7 diately to adjust the ceiling price per barrel for such crude
8 petroleum in the various grades and the refined products
9 thereof in harmony with the provisions of this paragraph."

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WEEKS to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729), Seventy-seventh Congress, viz: At the end of the bill add the following:

1 SEC. . Section 205 of the Emergency Price Control
2 Act of 1942 is amended by adding the following subsection:

3 “(g) It shall be an adequate defense to any suit or
4 action brought under subsections (b), (e), or (f) (2) of
5 this section if the defendant proves that the violation of the
6 regulation, order, or price schedule prescribing a maximum
7 price or maximum prices was neither willful nor the result
8 of failure to take practicable precautions against the occurrence
9 of the violation.”

S. 1764

AMENDMENT

Intended to be proposed by Mr. Weeks to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 5 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIS to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress) as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz:

1 On page 3, after line 24, insert the following:

2 “(1) No maximum price shall be established or main-
3 tained for any of the following: (1) Public sales by a bona
4 fide owner, directly or through an agent or auctioneer, of
5 such owner's used furniture, household goods, and personal
6 effects acquired by such owner for his own use or consump-
7 tion, and not acquired for the purpose of resale; (2) public
8 sales by a bona fide farmer, directly or through an agent

1 or auctioneer, of such farmer's used tractors, machinery,
2 implements, and tools, acquired by such farmer for his own
3 use in connection with his farming operations and activities,
4 and not acquired for the purpose of resale; and (3) public
5 sales by an administrator, executor, guardian, or trustee,
6 directly or through an agent or auctioneer, pursuant to an
7 order of court, of any used personal property of the char-
8 acter enumerated in clauses numbered 1 and 2 above."

9 On page 2, line 24, strike out "subsection" and insert
10 in lieu thereof "subsections".

AMENDMENT

Intended to be proposed by Mr. WILLIS to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 5 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed

June 6, 1944 - No. 10

- parity price at the average location used in fixing the basic loan rate (the House conferees will move to recede and concur). Incentive payments, \$12,500,000 (Senate figure) for payments for harvesting seed of grasses and legumes (the House conferees will move to recede and concur). The House language prohibiting incentive payments except for soil-conservation and water-conservation payments, etc. (the House conferees will move to recede and concur with an amendment to permit incentive payments for harvesting seeds of grasses and legumes). Senate amendment directing WFA to make payments on Irish potatoes and commercial truck crops (the House conferees will move to recede and concur). AAA political activity provision (the House conferees will move to insist). School-lunch (the House conferees will move to recede and concur with amendment, striking out the Senate language and inserting in lieu thereof the pertinent language of the Senate amendment to the Pace bill as amended by the House on June 1. This will provide \$50,000,000 from Sec. 32 funds but will omit the language authorizing further appropriations). FSA, administrative expenses and grants (the House conferees will move to recede and concur with amendments providing \$26,000,000 for administrative expenses and grants and \$67,500,000 of RFC funds for loans; Senate, \$28,265,000 for administrative expenses and grants and \$96,710,000 of RFC funds for loans). Farm tenancy, \$1,500,000 (Senate figure; House, \$750,000) (the House conferees will move to recede and concur).
2. STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 4204, and acted on items in disagreement (pp. 5510-20). Agreed to Rep. Rabaut's motion to insist on disagreement, after rejecting, 139-175, Rep. Rabaut's motion to recede and concur in the Senate amendment providing for a census of agriculture (pp. 5511-6).
3. WAR DEPARTMENT APPROPRIATION BILL. Received the conference report on this bill, H.R. 4183 (p. 5514). The items relating to increased production of agricultural commodities that would be promoted by the use of any irrigation or flood control project and appropriations (House \$25,000,000; Senate, \$26,000,000) for flood control on the Mississippi River were reported in disagreement.
4. NARCOTICS. Passed as reported H.R. 4881, to classify a new synthetic drug, "isonipeccaine" (demerol) (pp. 5481-3).
5. PERSONNEL. Received CSC's proposed bill to establish a uniform policy with respect to the pay status of civilian employees suspended without pay pending investigation. To Civil Service Committee. (p. 5523)
6. TRANSPORTATION. Foreign Affairs Committee reported without amendment H. R. 4625, to extend the existence of the Alaskan International Highway Commission for an additional 4 years (H. Rept. 1603) (p. 5523).

SENATE

7. PRICE CONTROL. Continued debate on S. 1764, to amend the Emergency Price Control and Stabilization Acts (pp. 5457-77). Agreed to the committee amendments, providing a new 60-day period after July 1, 1944, regarding protests against regulations issued before that date, with an amendment by Sen. Wagner, N. Y., providing that two judges shall constitute a quorum of the Court of Appeals and of each division thereof, after rejecting, 30-40, Sen. Danaher's, Conn., amendment to the committee amendment, which would advance the date by 30 days for allowing aggrieved persons who file protest as to outstanding orders or regulations to have a hearing before the board of review (pp. 5457-62). Agreed,

48-26, to the committee amendment with amendments by Sen. Wherry, Nebr., as modified by Sen. Ferguson's amendment to permit defendants in certain price control proceedings to challenge the regulations which they are charged with violating (pp. 5462-8). Agreed to the committee amendment with an amendment, modifying the provisions for damage actions against sellers and landlords, and authorizing OPA to bring such actions if the person damaged does not (pp. 5468-77).

During the debate Sens. Brooks, Ill., and Thomas, Okla., submitted amendments which they intend to propose to this bill. Sen. Bankhead, Ala., announced that he had 2 or 3 amendments to add to the textile-cotton section of this bill, and Sen. Wagner, N. Y., inserted a National Congress of Parents and Teachers' letter favoring the so-called Bankhead amendment (p. 5477).

8. DEBT LIMIT. Senate agreed to conference report on H.R. 4464, to increase the debt limit of the U.S. to \$260,000,000,000 and to reduce from 30% to 20% the cabaret taxes (p. 5457).

House agreed, 62-38, on a division vote, to the conference report; but the vote was vacated on objection of Rep. Shafer, Mich., because of the lack of a quorum (pp. 5520-3).

BILL INTRODUCED

9. COMMODITY LOANS. By Rep. Elliott, Calif., H.J.Res. 292, authorizing and directing the CCC to distribute certain money received by it in connection with its 1943 raisin variety grape purchase and resale program to increase production of raisins. To Banking and Currency Committee. (p. 5523.)

ITEMS IN APPENDIX

10. SUGAR INDUSTRY; PUERTO RICO. Resident Commissioner Pagán, P. R., inserted a Puerto Rico Farmers' Association resolution requesting aid for the sugar industry of P. R. (pp. A3039-40).
11. COTTON. Sen. Thomas, Okla., inserted Tom Linder's (Ga. commissioner of agriculture) article, "Cotton," in which he urged increased cotton prices (pp. A3035-6).
12. HOG PRICES. Sen. Gillie, Ind., inserted resolutions of "local representatives" of this Department and WFA charging Federal "evasion of hog marketing regulations" and "price discrimination against Northeastern Indiana hogs" (pp. A3034, A3035).
13. SUGAR ACT EXTENSION. Speech in the House by Rep. Hope, Kans., urging continuation of this Act (p. A3033).
14. FORESTRY. Sen. Cordon, Oreg., inserted Pa. Gov. Snell's Governors' Conference address urging "Conservation of Our Timber Resources" (pp. A3031-2).
15. SOCIAL SECURITY. Extension of remarks of Rep. Ramey, Ohio, urging support of H.R. 1649, the so-called Townsend National Recovery plan bill, which includes social security benefits for farmers and farm workers (pp. A3025-6).
16. FARM CREDIT. Extension of remarks of Rep. Poage, Tex., favoring H.Res. 525, authorizing the Cooley committee to make an investigation of FCA (p. A3029).

supplementary information concerning appointment to commissioned rank and officer candidate status. I shall be happy to send you a copy of this booklet as soon as it is available, with the hope that it may be permanently useful to you.

Sincerely yours,

L. E. DENFELD,
Rear Admiral, U. S. N.,
Assistant Chief of Naval Personnel.

ADDRESS BY THE PRESIDENT ON THE CAPTURE OF ROME

[Mr. BARKLEY asked and obtained leave to have printed in the *Record* the radio address delivered by the President of the United States on June 5, 1944, which appears in the Appendix.]

CONSERVATION OF OUR TIMBER RESOURCES—ADDRESS BY GOVERNOR SNELL OF OREGON

[Mr. CORDON asked and obtained leave to have printed in the *Record* an address entitled "Conservation of Our Timber Resources," delivered by Gov. Earl Snell of Oregon before the thirty-sixth annual meeting, Governors' Conference, Hershey, Pa., May 31, 1944, which appears in the Appendix.]

REGULATION OF RADIO BROADCASTING—EDITORIAL FROM LABOR

[Mr. WHEELER asked and obtained leave to have printed in the *Record* an editorial entitled "Wheeler-White Bill Is a Good Thing," published in *Labor* of June 3, 1944, which appears in the Appendix.]

COTTON—EDITORIAL BY TOM LINDER IN THE GEORGIA FARMER'S MARKET BULLETIN

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the *Record* an editorial entitled "Cotton," by Tom Linder, commissioner of agriculture of the State of Georgia, published in the *Georgia Farmer's Market Bulletin* of May 31, 1944, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1081. An act to add certain lands to the Upper Mississippi River Wild Life and Fish Refuge;

S. 1335. An act to amend the fourth and fifth provisos of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437, 438; 30 U. S. C., secs. 201, 202);

S. 1660. An act granting the consent of Congress to the Minnesota Department of Highways and the county of Crow Wing in Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at Mill Street in Brainerd, Minn.; and

S. 1944. An act to amend the act entitled "An act to provide books for the adult blind."

The message also announced that the House had passed the bill (S. 1479) providing for the suspension of certain requirements relating to work on tunnel sites, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1808) to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such

corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2928) to amend the act entitled "An act to fix the hours of duty of postal employees, and for other purposes," approved August 14, 1935, as amended.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 735. An act to confer to certain persons who served in a civilian capacity under the jurisdiction of the Quartermaster General during the War with Spain, the Philippine Insurrection, or the China Relief Expedition the benefits of hospitalization and the privileges of the soldiers' homes;

H. R. 872. An act to declare that the United States holds certain lands in trust for the Minnesota Chippewa Tribe;

H. R. 1654. An act to authorize the acquisition, rehabilitation, and operation of the facilities for the public in the Olympic National Park, in the State of Washington, and for other purposes;

H. R. 2651. An act to authorize adjustments of irrigation charges in certain land exchanges within Indian irrigation projects;

H. R. 2655. An act to reserve certain land on the public domain in Utah for addition to the Kanosh Indian Reservation;

H. R. 2666. An act to declare that the United States holds certain lands in trust for Indian use, and for other purposes;

H. R. 3384. An act to authorize the Secretary of the Interior to accept property for the Moores Creek National Military Park, and for other purposes;

H. R. 3527. An act authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Anderson Ranch Reservoir site, Boise reclamation project, Idaho;

H. R. 3646. An act to amend section 42 of title 7 of the Canal Zone Code;

H. R. 3750. An act to provide for the appointment of an additional circuit judge for the third circuit, and to permit the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania;

H. R. 4041. An act to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.;

H. R. 4159. An act to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742);

H. R. 4206. An act to authorize the construction and operation of a free highway bridge across the Monongahela River in the county of Allegheny, Pa.;

H. R. 4207. An act to authorize the construction and operation of a free highway bridge across the Monongahela River in the county of Allegheny, Pa.;

H. R. 4733. An act to amend section 514 of the Soldiers' and Sailors' Relief Act;

H. R. 4825. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 10 to 14, inclusive, 1944;

H. R. 4833. An act to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar;

H. J. Res. 138. Joint resolution granting the consent of Congress to an agreement between the State of New York and the State of Rhode Island and Providence Plantations concerning the settlement of the boundary line between said States; and

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists, the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1941) to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended, and it was signed by the Acting President pro tempore.

INCREASE IN LIMITATION ON NATIONAL DEBT—CONFERENCE REPORT

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4464) to increase the debt limit of the United States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In the matter proposed to be inserted by the Senate amendment strike out lines 7 to 11, both inclusive, and insert the following: "in lieu thereof '20 per centum'"; and the Senate agree to the same.

WALTER F. GEORGE,
DAVID I. WALSH,
ALBEN W. BARKLEY,
ROBERT M. LA FOLLETTE, Jr.,
A. H. VANDENBERG,

Managers on the part of the Senate.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
HAROLD KNUSTON,
ROY O. WOODRUFF,

Managers on the part of the House.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the report?

There being no objection, the report was considered and agreed to.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Pub. Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Pub. Law 729, 77th Cong.).

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. DANAHY] striking out in the committee amendment on page 5, line 12, the word "September" and inserting the word "August."

Mr. MURDOCK. Mr. President, it is true that on this day every Member of

Congress has in his heart a prayer for the soldiers, the sailors, and the marines and all our other fighting men on every combat front. Our prayers attend them wherever they may be, but, Mr. President, we have more to do than to pray. We here at home must hold the line on the home front, and one of the most important sections of the line we are confronted with today is that which holds the prices and wages of America against uncontrolled inflation.

The bill now before us, which is the pending business of the Senate, is, next to actual combat on the front, as important as any other matter which might be considered. This is one of our opportunities to hold the line here on the home front.

When we created the Office of Price Administration, when we wrote and enacted the price-control legislation, Mr. President, and created the administrative agency to handle it, we gave that agency one of the toughest assignments, one of the most difficult tasks that Congress ever devolved upon an administrative agency of the Government. More than 2 years now have gone by. We established the policy even prior to the enactment of the legislation. After establishing the policy and creating a Price Administration we followed it by the enactment of the present law, and then later fortified the present law by what is called the Stabilization Act.

Price control and the control of wages, especially when there is a tremendous amount of money in the hands of the people, could not help and cannot help but be unpopular. But it has come to be realized in the United States that, unpopular as wage control and price control are, if we here on the home front are successfully to prosecute the war and carry on the home front we must not falter, we must not deviate, we must not weaken in our purpose and course to control inflation by the control of prices and wages.

I wish to take this opportunity to congratulate the two Republican Senators who conferred with three Democratic Senators on a subcommittee of the Committee on Banking and Currency in considering the procedure and amendments to the present Price Control Act. Those two Senators are the Senator from Connecticut (Mr. DANAHY) and the Senator from Ohio (Mr. TAFT). They were cooperative and industrious. Their attitude was that price control in America is a policy necessary to be continued throughout the duration of the war and probably in the years subsequent to the war, until all danger of inflation has past. There was no partisanship, Mr. President, in that subcommittee when, hour after hour and day after day, which finally reached into weeks, we considered the procedure and amendments to the price-control bill.

We finally agreed that the review board should be set up within the administration itself. We took the position that the creation of such a review board within the agency administering the act was much preferable to allowing protestants or persons objecting to price schedules and regulations to go into every district

court in the United States and present their cases there. We knew that such a policy would have its reaction in the very numerous district courts of the United States; that there would be a multiplicity of suits, and that there would be decisions which varied and were in conflict with each other. We were satisfied that the policy of exclusive jurisdiction established under the original act was the policy to follow until this tremendous task was at an end. We did, however, decide that protestants should have a right to have a review by a board set up within the administration itself; and there was, as was stated yesterday by the Senator from Connecticut, unanimity in arriving at that decision.

The committee amendment which is before the Senate today simply creates a review board and opens up to every protestant a 60-day period within which he may come in and protest not only new regulations and orders but previous orders and regulations and price schedules. He will be able to go back and question, today, before the Office of Price Administration, the first orders and regulations and price schedules which were promulgated. The only difference between the amendment of the Senator from Connecticut and the committee amendment is that the amendment of the Senator from Connecticut brings the date up to August 1, 1944, instead of leaving it as the committee amendment fixed it, as of September 1, 1944. If the committee amendment as it is now presented to the Senate is adopted, instead of having all the old regulations brought by way of protest before the new board which is to be set up, protestants will have a 60-day period within which they may submit to the Price Administration as it is now established, and under the present procedure, as it has been set up under the law and by the law, protests against the old regulations.

The Senator from Connecticut asked why, if we open up for 60 days a period of protest on the old regulations, should we not allow the protestants the benefit of the review board. The answer to the Senator's question, in my opinion, is—and the evidence which came to the subcommittee was—that we would bog down the administration of price control if we undertook to establish such a procedure. In my opinion that is the great objection, the important argument, against opening up protests on all old regulations before the new review board which is to be created.

We must bear in mind, Mr. President, that every person affected by regulations which now are in existence had his opportunity, and has had it, with respect to every regulation, order, or price schedule which has been promulgated, to come forward and present his objections to the Price Administrator. We also know that, under the act, if such persons were dissatisfied with the action of the Administrator on their protests, they then had a right to take the protests by way of appeal to the Emergency Court of Appeals.

If we adopt the amendment offered by the Senator from Connecticut advancing the date to August 1, instead of leaving

it as of September 1, as the committee recommends, then for a 30-day period, under the board of review which is to be created, every person in the United States who feels that he is adversely affected by the regulations which have been in existence ever since the beginning of the act, will have a right to present his protests, within a 30-day period, before the new administrative board.

The question in my mind and the question which I propound to the Senate today is, Do we wish to give this class of people, who already have had their opportunity of presenting their objections and their protests, the special privilege of filing protests again, for another period of 60 days, and also give them a new board before which to appear? What we do, Mr. President, even in the adoption of the committee amendment, as I view the picture, is to invite every disgruntled person, every person adversely affected or who thinks he is adversely affected, to come forward again and present his protests and objections. It was decided by the committee that that should be done. But in giving the 60-day period, we should limit all persons having protests and objections on old regulations, orders, and price schedules, to presenting their cases to the Administrator under the procedure which is now in effect. I do not think we can arbitrarily disregard the statements made by Mr. Bowles or the statements made by Mr. Field, general counsel for the O. P. A., that such a procedure would bog down the administration of the act. If we give special privileges to one group in the United States, and by so doing we bog down or impede the administration of the act, we not only do an injustice to the administrative agency, but we also do an injustice to other protestants coming in under the new regulations, who have a right to ask for the expeditious determination and disposition of their protests.

Figures have been submitted to me under the heading "Protest data" which show that 2,112 protests were filed from January 31, 1942, to September 15, 1942; that 1,159 protests were pending on September 15, 1942; that 1,726 protests were filed from May 1 through July 31, 1942; that 381 protests were pending on April 15, 1944; and that the average now filed in each month is 60.

In view of those figures, Mr. President, we must determine whether or not it is prudent and wise to adopt the amendment of the Senator from Connecticut instead of the amendment reported by the Banking and Currency Committee. If the O. P. A. can be successfully charged with anything by way of criticism, it is delay in expediting disposition of protests. If it is subject to criticism for delay, for which it is probably not responsible, then should we at this time pour into its lap hundreds, and probably thousands, of protests which involve not new regulations but regulations which have been in effect for the past 2 years? In my opinion, Mr. President, we should not do it. We cannot afford to do it. If we do it, we shall do an injustice to the administrative agency and to those who come in under the new regulations

and are entitled to expeditious disposition of protests.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

The ACTING PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New York?

Mr. MURDOCK. I yield.

Mr. WAGNER. If we should provide an extra month, the month of August, as contemplated by the amendment of the Senator from Connecticut, for protestants to come before the new board with protests based upon regulations or orders from the date of enactment of the Price Control Act, the board might very well have 4,000 or 5,000 cases to dispose of during that month. Is not that true?

Mr. MURDOCK. I think the answer to the Senator is this: By opening up for a period of 30 days the consideration of old regulations dating back to the inception of the act, we issue an invitation to everyone who may be disgruntled to have another hearing. If the amendment of the Senator from Connecticut should be adopted, we would not only invite them to come in but invite them to come before a new tribunal and submit their protests and objections.

I should have no quarrel with the Senator's provision if we were dealing with ordinary circumstances in ordinary times. But, Mr. President, we cannot forget that expedition is the most important thing in handling these protests and objections. If we open the hearings again for a period of 60 days to every protestant on every regulation which has been in effect since the law was enacted, is not that going sufficiently far? Is not that extending to those who have already had an opportunity to go into court all that they could reasonably ask for?

It may be answered that if we allow them only to go before the Administrator who has already decided against them, we are giving them no new opportunity. I think that answer has been made, and will be made today. But it is my opinion that we would be giving them something. We would be giving them the right again to present their protests, not only on the old grounds which they had when they were before the Administrator previously, but also on new grounds.

The committee gave very serious consideration to the amendment offered by the Senator from Connecticut. The question was threshed out and argued before the full committee, and finally, by a majority vote of the committee, the amendment of the Senator was defeated, and the amendment now reported by the committee was adopted. That amendment merely provides that with respect to regulations, orders, and price schedules which have been in existence since the law took effect, protests or objections may be presented under the present procedure. Then after the 60-day period from June 30 until September 1, all protests on new regulations will be handled under the new system, and requests, protests, and objections will be presented to the new board of review.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. WAGNER. I was about to suggest—I am sure I am correct—that with respect to the old orders which are to be protested before the Administrator, if a protest is denied, the protestant will have the right to go to the Emergency Court of Appeals on the subject of his protest.

Mr. MURDOCK. That is true. If a protestant is dissatisfied after having presented his case to the Administrator, and feels that he has grounds for going to the Emergency Court of Appeals, that avenue will still be open to him. Under ordinary conditions, of course, it might be said that even under the old regulations probably protestants should be allowed to go before the board. But we cannot forget the statements made by Mr. Field, the general counsel, that in his opinion such procedure would bog down the Administration. We cannot afford to do that at this time. We have operated for 2 years under the present procedure, and it is my opinion that by granting a new 60-day period under the same procedure we would be doing all that any protestant under the old regulations could ask for.

I hope the Senate will reject the amendment offered by the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHY] striking out in the committee amendment on page 5, line 12, the word "September" and inserting the word "August."

Mr. TAFT. Mr. President, the point involved in this amendment is a technical one, but I wish to explain one thing with reference to the law itself. The present law is an extraordinary one. The Supreme Court in the Yakus case, a copy of which I have before me, upheld the constitutionality of the law. However, three members of the court dissented. Mr. Justice Roberts, Mr. Justice Rutledge, and Mr. Justice Murphy held that the procedure prescribed by the law was unconstitutional and unreasonable. What the law provides in effect is this: A man who has been charged with a crime, or against whom a suit has been brought for triple damages, or a man whose license has been taken away from him on the charge that he has violated the regulations, may not in court raise the question of whether those regulations are valid or invalid. That provision is certainly a deprivation of rights which we in America believe a man should have when something is being taken away from him. The act prescribes an administrative procedure. If an adequate administrative remedy is provided, it has been held that a person perhaps may not raise the question of the validity of the regulations in the suit in which he may be a party. However, never before has there been an attempt to place a limitation upon the time in which one may use such administrative remedy, and challenge the validity of the law. The law provides that if a regulation is made

and 60 days elapse any person who has not challenged the regulation during such 60-day period is bound forever by the regulation even though it is admittedly unconstitutional, or could be proved to be unconstitutional or invalid.

The 60-day provision which is inserted in the price-administration law is an extraordinary limitation. It is so unreasonable that the House committee, in recommending the bill in the House, entirely removed it and said that, while it is necessary to pursue the administrative remedy, it is possible at any time to challenge the validity of the regulation.

The 60-day limitation, I repeat, is unreasonable. There are many men who perhaps do not know the regulations even though they should. There are many businessmen who think, "I do not want to challenge this regulation; I will try to get along under it; I will not bring suit but will try it for 60 days or 6 months perhaps," and then finally, at the end of the 6 months, he finds he cannot challenge it at all. That is unreasonable regulation. As I have said, the House committee has entirely removed it. Our committee did not go quite so far, but it said all old regulations which have been made since the act became effective may be opened up for the next 60 days.

The result of the September 1 date is that no suit brought to challenge the old regulations can possibly make use of the administrative procedure which we now find to be the correct administrative procedure, which we find gives a man an oral argument before a board within the Office of Price Administration, subject to the Price Administrator's approval or rejection.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator a question?

Mr. TAFT. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I have been thinking about the arrangement for a board of review which was adopted yesterday. Does the Senator think that there is a possibility of a complainant having any chance before a board within the set-up itself?

Mr. TAFT. It might be that the board is a prejudiced board, but heretofore in the appeals to the Price Administrator the protestants have been referred right back to the man who first decided the question or who drew the regulation, and who had already made up his mind. Of course, in my opinion, that did not result in a fair hearing.

Now we require a separate board so that at least there is an appeal from a man who has made up his mind to a board, which is an over-all board passing on the whole question of policy, and I think the citizen will get a fair hearing. In any event, he will get an opportunity for oral argument, he will get an open hearing, and then if he is met with an adverse decision, he has an appeal to the Emergency Court of Appeals.

I may say that I was very favorably impressed by the judges of the Emergency Court of Appeals who appeared

before us. They have been selected and appointed by the Chief Justice, one I think from the second district, one from the third district, and one from the District of Columbia. I think that court is operating well, and the judges are willing to go all over the country; but of course their jurisdiction is limited. They cannot open up the evidence and decide a case de novo. They can only reverse the decision of the Price Administrator if they find it is an arbitrary and unreasonable decision. However, in an emergency matter such as this I am satisfied with it. I might not be as a matter of permanent law, but as an emergency matter, where the procedure must be summary, as in the control of prices today during wartime, I think that procedure is adequate and fair.

Mr. SHIPSTEAD. I may have misunderstood, but is the Emergency Court to be composed of Federal judges who are now sitting and have been appointed?

Mr. TAFT. That is correct. The Administrative Board, or Board of Review, is within the Price Administration, but there is an appeal from that Board, or from the Price Administration action approving the Board's opinion, to the Emergency Court of Appeals, which is made up of judges selected by the Chief Justice of the United States from judges already appointed to the various circuit courts of appeal throughout the United States.

Mr. SHIPSTEAD. That is better. It will not be a drumhead court, then.

Mr. TAFT. Mr. President, the Yakus case, for instance, shows how unreasonable the 60-day provision is. Mr. Justice Rutledge says in his dissenting opinion:

The idea is entirely novel that regulations may have a greater immunity to judicial scrutiny than statutes have, with respect to the power of Congress to require the courts to enforce them without regard to constitutional requirements.

In other words, Congress cannot say that a man who challenges the constitutionality of a statute would be barred from setting up that defense, and neither can Congress say that because he has not complied with some administrative procedure, and 60 days have gone by, and a decision handed down, he is barred from challenging the regulation made under the statute by the administrative officer.

Mr. Justice Rutledge says further:

At a time when administrative action assumes more and more of the law-making function, it would seem the balance of advantage, if any, should be the other way. But there is none. The statute has impact upon individuals only through the regulations. They are in effect part of the act itself, unless invalid. If invalid, they rule, just as the statute does, until set aside. And, in respect to constitutional requirements, they have no more immunity than the statute itself.

I quote further from the dissenting opinion of Mr. Justice Rutledge:

A procedure so piecemeal, so chopped up, so disruptive of constitutional guarantees in relation to trials for crime, should not and, in my judgment, cannot be validated, as to such proceedings, under the Constitution. Even war does not suspend the protections

which are inherently part and parcel of our criminal process.

That shows the serious doubt and the exceedingly dangerous step we are taking in saying that when 60 days have gone by a man cannot challenge the validity of a regulation made by an administrative officer under the authority of the statute.

In the case of this amendment I went along with it on the theory that, having opened up the past regulations for 60 days, possibly by now people will have been sufficiently informed of the procedure; they will know enough about the act, so that future regulations will be well known, and some citizens will be in a position to challenge them. I went along as a part of the compromise. But it seems to me, so far as the 60-day opportunity is concerned, that those who want to challenge the regulations made in the past, which could operate in such a way as absolutely to put them out of business, should at least have the same administrative procedure before the Price Administrator and should have the same right to the board of review and to open argument within the Price Administration as those who hereafter may challenge future regulations.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield to the Senator from Illinois.

Mr. LUCAS. Will the Senator from Ohio tell me on what theory the 60-day limitation was inserted in the proposed legislation?

Mr. TAFT. I did not follow in the original act very closely the procedural regulations. They were submitted by Mr. Anderson and Mr. Ginsburg as a means of giving the Price Administration very tight control of the whole process and relieving them from a number of suits, which no doubt would be greater if the 60-day limitation was not provided. Of course, I recognize that the procedure must be more summary under price control. For instance, if, under these procedural amendments, there is freedom in all these proceedings to hold up for one moment the enforcement of any price, an order made by the Price Administrator can be postponed for a day or a month. In most cases an injunction will lie to hold it up until the case is tried. The 60-day provision was merely incident to the general feeling that there ought to be tight control in the Administration.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. LUCAS. Was the 60-day provision in the original act?

Mr. TAFT. No; the 60-day provision was not in the original act. I was probably at fault in not noticing it at the time; but if the Senator will read the Yakus case, I think he will be convinced that the procedure is justified under the Constitution, but the minority opinion of Mr. Justice Roberts and the dissenting views of Mr. Justice Rutledge, concurred in by Mr. Justice Murphy, at least raise a very serious doubt as to whether we have not gone beyond the limit.

Mr. MURDOCK. Mr. President, I should like to say a word following the remarks of the Senator from Ohio. The objections he raises to the present law, and his references to the dissenting opinion written by Justice Rutledge in the Yakus case, are not at all affected by the pending amendment. As the Senator from Illinois said, I think, by implication, there was no more eloquent advocate of the present law on the floor of the Senate than the Senator from Ohio. At the time it was being considered here he did not raise the arguments he is raising today. He spoke on the bill, he was one of the conferees who brought it back and recommended that it be passed in its present form.

Now we find that the Supreme Court of the United States, notwithstanding what may be termed in ordinary cases rather harsh procedural provisions, has upheld as constitutional the procedure established in the Price Control Act. It is true that there are two dissenting opinions, one by Mr. Justice Roberts and one by Mr. Justice Rutledge, which are very logical and very able, but the majority of the Court, in the opinion of the Court, upholds Congress in the act it passed. Now we find ourselves in the rather incongruous, anomalous situation of being asked to follow the dissenting opinion today and to rewrite the law, notwithstanding the fact that the Supreme Court of the United States has upheld what Congress did.

In conclusion, let me say merely that the statements before us from the men on whose shoulders is devolved the great burden of expeditiously handling protests under the price-control regulations, are to this effect: "If you do what Senator DANAHER's amendment proposes to do in this case, you cannot help bogging down the administration of price control."

If for 2 years the procedure has been all right, and no one has suffered greatly under it, then today—the most important day, probably, in the history of the United States—can we on the home front begin to weaken a law which has served for 2 years? In my opinion, we cannot do it, and the only way by which we can hold the home front today in connection with this proposed legislation is to refrain from adopting weakening amendments. If we begin to adopt weakening amendments, I do not know where we will stop.

I therefore again implore the Senate to uphold the committee in the amendment we have presented, and to reject the amendment offered by the distinguished Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Connecticut.

Mr. WAGNER. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bankhead	Billie
Ball	Barkley	Brewster

Bridges	Gurney	Reed
Brooks	Hatch	Revercomb
Buck	Hawkes	Reynolds
Burton	Hayden	Robertson
Bushfield	Hill	Russell
Butler	Holman	Shipstead
Byrd	Jackson	Stewart
Capper	Johnson, Colo.	Taft
Caraway	La Follette	Thomas, Idaho
Chandler	Lucas	Thomas, Okla.
Chavez	McClellan	Truman
Clark, Mo.	McFarland	Tunnell
Connally	McKellar	Tydings
Cordon	Maloney	Vandenberg
DanaHER	Maybank	Wagner
Davis	Mead	Wallgren
Downey	Millikin	Walsh, Mass.
Eastland	Moore	Walsh, N. J.
Ellender	Murdock	Wheeler
Ferguson	Nye	Wherry
George	O'Daniel	White
Gerry	Overton	Wiley
Gillette	Pepper	Willis
Green	Radcliffe	Wilson

The ACTING PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. DANAHER. Mr. President, by way of summary and for the benefit of Senators who were necessarily detained on other business, I wish to repeat that the pending amendment, which would change the date from September 1, 1944, to August 1, 1944, will do no more than make it possible for those persons who are aggrieved and who file protests as to outstanding orders or regulations to have a hearing before the board of review. The procedure with reference to review before that board applies to all future orders and all future regulations and protests filed thereunder, in any event. Therefore when we give the protestants an opportunity to file protests against outstanding orders, and give them 60 days commencing July 1 within which to do so, by advancing the date from September 1, to August 1, as this amendment would do, there will actually be a net period of 30 days, namely in the month of August 1944, within which such protests may go to the board of review. Even then, Mr. President, there is the option in any such protestant to follow existing procedures if he chooses to do so, for it is only at the request of the protestant himself that the protest will in fact be heard before the board of review.

That last feature, Mr. President, also applies to protests filed against future orders or regulations.

Therefore there is no such disruptive effect to follow this amendment as is claimed for it. By the amendment we give the individual protestant a right to be heard, and, Mr. President, the failure to give him the right to be heard is what has led to great complaint. We therefore seek to apply correctives which will rectify a situation which every one here knows exists.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. DANAHER] striking out in the committee amendment on page 5, line 12, the word "September" and inserting the word "August".

Mr. WAGNER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. BRIDGES (after having voted in the affirmative). I have a general pair

with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the junior Senator from Massachusetts [Mr. WEEKS]. I understand that the Senator from Massachusetts, if present, would vote "yea," and the Senator from Utah [Mr. THOMAS] would vote "nay." I therefore allow my vote to stand.

Mr. BARKLEY. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Texas [Mr. CONNALLY], and the Senator from Alabama [Mr. HILL] are detained in various Government departments on matters pertaining to their respective States. I am advised that if present and voting, the Senator from Mississippi, and the Senator from Texas, would vote "nay."

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from South Carolina [Mr. SMITH], and the Senator from Utah [Mr. THOMAS] are detained on public business. I am advised that if present and voting, the Senator from Florida [Mr. PEPPER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], and the Senator from Utah [Mr. THOMAS] would vote "nay."

The Senator from North Carolina [Mr. BAILEY] and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent. I am advised that if present and voting, the Senator from North Carolina would vote "nay."

The Senator from California [Mr. DOWNEY] and the Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business. I am advised that, if present and voting, the Senator from California would vote "nay."

The Senator from Pennsylvania [Mr. GUFFEY] is paired with the Senator from Ohio [Mr. BURTON]. I am advised that, if present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from Alabama [Mr. HILL] is paired on this question with the Senator from Minnesota [Mr. BALL]. I am advised that, if present and voting, the Senator from Alabama would vote "nay," and the Senator from Minnesota would vote "yea."

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Florida [Mr. ANDREWS].

The Senator from Ohio [Mr. BURTON], who is unavoidably detained, is paired on this question with the Senator from Pennsylvania [Mr. GUFFEY]. If present, the Senator from Ohio would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from North Dakota [Mr. LANGER] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Minnesota [Mr. BALL] is detained on official business.

The result was announced—yeas 30, nays 40, as follows:

YEAS—30

Aiken	Gurney	Robertson
Bridges	Hawkes	Shipstead
Brooks	Holman	Taft
Buck	Millikin	Thomas, Idaho
Bushfield	Moore	Vandenberg
Butler	Nye	Wherry
Capper	O'Daniel	White
Cordon	Reed	Wiley
DanaHER	Revercomb	Willis
Ferguson	Reynolds	Wilson

NAYS—40

Bankhead	Hatch	Radcliffe
Barkley	Hayden	Russell
Byrd	Jackson	Stewart
Caraway	Johnson, Colo.	Thomas, Okla.
Chandler	La Follette	Truman
Chavez	Lucas	Tunnell
Clark, Mo.	McClellan	Tydings
Davis	McFarland	Wagner
Eastland	McKellar	Wallgren
Ellender	Maloney	Walsh, Mass.
George	Maybank	Walsh, N. J.
Gerry	Mead	Wheeler
Gillette	Murdock	
Green	Overton	

NOT VOTING—26

Andrews	Connally	Murray
Austin	Downey	O'Mahoney
Bailey	Glass	Pepper
Ball	Guffey	Scrugham
Bilbo	Hill	Smith
Bone	Johnson, Calif.	Thomas, Utah
Brewster	Kilgore	Tobey
Burton	Langer	Weeks
Clark, Idaho	McCarran	

So Mr. DANAHER's amendment to the committee amendment on page 5, line 12, was rejected.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment inserting a new section 106.

Mr. WAGNER. Mr. President, I send to the desk an amendment to the committee amendment, and ask to have it stated.

The ACTING PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 6, following line 17, it is proposed to insert a new subdivision (d), as follows:

(d) Section 204 (c) of such act is amended by inserting after the third sentence and before the fourth sentence thereof the following:

"Two judges shall constitute a quorum of the Court and of each division thereof."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New York to the committee amendment.

Mr. DANAHER. Mr. President, may we have an explanation of what the Senator from New York has in mind? His amendment has not been considered in committee. I should like to know what the need for it is.

Mr. WAGNER. The amendment simply relates to the provision of the Price Control Act which requires three judges at all times to consider and dispose of cases in the Emergency Court of Appeals. The amendment would allow a quorum of two judges to proceed in such matters, as is done in every other case in which there is a court of three. I read from the letter which has been sent to me by the Chief Justice of the Emergency Court of Appeals:

there has never been a more general satisfaction with, and support for, price control among the people of the United States than there is under the present administration. If for 2 years the people of the United States have put up with the procedure which is now in effect, is there any good reason for abandoning it today for the sake of someone who simply cannot conform to the law? In my opinion, the argument is not valid. I believe that by adopting the Senator's proposal we would again add to the burdens of the Office of Price Administration. Instead of helping the people of the United States who wish to conform to the law, we would add an additional burden to the Office of Price Administration by extending the rights of the nonconformists. I do not think that today is the time to add such a burden.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. WHERRY. Relative to the last statement of the Senator, I do not follow this argument. I respect the judgment of the Senator from Utah. I have known him for a year and a half. I have served with him on the Judiciary Committee, and I know he is fair in his judgment. I also know that he has done a great deal of work on the pending bill. However, I should like to suggest to him that I am not asking for the right of any person to go into any district court in the United States and file a suit.

Mr. MURDOCK. I understand the Senator.

Mr. WHERRY. I am merely asking that the word "criminal" be stricken out.

Mr. MURDOCK. Yes.

Mr. WHERRY. It would mean that within 5 days after judgment had been pronounced in the case of a civil suit the judgment would be the penalty. It would not take the form of a judgment, but it would be a penalty which would be assessed.

Mr. MURDOCK. Yes.

Mr. WHERRY. For what? So that the defendant may apply to the district court. That is the language of the criminal procedure. I am not asking that every Federal district court judge become a price stabilizer. That would be provided for by an entirely different amendment which I expect to offer to the bill before debate has been concluded.

Mr. MURDOCK. Mr. President, all I have said with reference to the Senator is that his general position is that we should allow litigants to go into every Federal court, and I assert that such a position is wrong.

Mr. WHERRY. In the case of one who had been indicted and charged with a criminal violation, would the Senator grant the same privilege that he would grant under the proposed legislation? If the Senator would do so for a person who had been charged with a violation in a criminal proceeding, why should he not do so in a case for triple damages?

Certainly the Senator believes in fair play. It is not a question of whether I believe in stabilizing prices; I go along with the Senator in that argument, and I believe in it; but I want to say that the adoption of the amendment will make

the act a better one; it will make it more enforceable; it will eliminate all questions about price violations, because people will know that they will have the defense in question and will be able to make the defense in the Emergency Court of Appeals, instead of in the Office of Price Administration or in one of the appeal boards or even in the district court. They will be able to make it in a court which is impartial in its judgment. Why should anyone who is a nonwillful violator not have such an opportunity?

I may say to the Senator I can name case after case, suggested in the committee meetings, that would support an amendment of this kind. It may be that the Price Administration is going to assess triple damages against a man who does not have the right to defend himself in an impartial court.

We talk about the boys giving their lives at the front, and I am just as much interested in them as is the Senator from Utah or any other Senator on this floor, but I say when we take away a man's defense before an impartial court of law we are legislating against civil liberty, the very thing our soldiers are fighting and dying for this afternoon on foreign battlefields. I believe a man has a right to set up any defense he wants to set up in a civil court of law, and that is all I am asking for.

Mr. MURDOCK. Mr. President, I cannot yield further. I agree that the Senator is just as sincere in his statement as I am in mine, and I know he is just as much interested in the soldiers at the front as I am, but I say he is all wrong when it comes to price control.

One of the outstanding things, one of the most eloquent things I have read concerning the duties of citizens in time of war is contained in the dissenting opinion of Mr. Justice Rutledge in the *Yakus* case. I read it to the Senate:

War requires much of the citizen. He surrenders rights for the time being to secure their more permanent establishment. Most men do so freely. According to our plan others must do so also, as far as the Nation's safety requires. But the surrender is neither permanent nor total.

It is true that under the Price Control Act we do surrender some of our rights. We surrender our right to go into any court we want to and to litigate there, and we are limited to the Emergency Court of Appeals. That is rather a harsh provision, but in times such as these and in matters of this kind and legislation of this character it has been found down through the years that it is conducive to the expeditious disposition of cases.

The main argument against the Senator from Nebraska is the argument that was made against the amendment proposed by the Senator from Connecticut [Mr. DANAHER]. The main argument is that we should not add to the burdens of the Price Control Administration. They have burdens already.

Mr. WHERRY. Mr. President—

Mr. MURDOCK. I do not care to yield.

Mr. WHERRY. What the Senator says has no bearing on what I am attempting to do, which concerns matters after the violator has been brought into

court either on injunctive proceedings or in a suit for triple damages. It is beyond the point concerning which the Senator from Connecticut offered his amendment.

Mr. MURDOCK. Mr. President, if the able Senator from Nebraska had sat through the hearings with his two able colleagues on the Republican side, the Senator from Connecticut [Mr. DANAHER] and the Senator from Ohio [Mr. TAFT], he would conclude that generally what he is doing is adding another burden to the Office of Price Administration. How does he do that? Under the committee amendment every person who wants to question the validity of a regulation, whether it be the first regulation that was issued after the act was passed—

Mr. WHERRY. Mr. President—

Mr. MURDOCK. Mr. President, I decline to yield at the moment.

Mr. WHERRY. Very well. But the Senator is misstating the matter.

Mr. MURDOCK. I do not yield at this time. I should like to make this point, and then I shall yield to the Senator and he can speak in his own time if I do not deal sufficiently with it.

Let us go back again to what the committee amendment just adopted does. It grants an additional 60-day period to every person in the United States affected by a regulation, an order, or a price-control schedule to come forward again and to question the order, schedule, or regulation. There is an additional 60 days granted in which to do that. Then, if the Price Administrator rules adversely to the protest, under the committee amendment an appeal is granted to the Emergency Court of Appeals.

Mr. President, if we adopt the amendment offered by the Senator from Nebraska what is the additional burden? The additional burden is that we not only grant the citizen everything I have mentioned but we grant him the right after judgment is entered in a civil case to appeal from that decision to the Emergency Court of Appeals. We invite him again to gamble on what the Emergency Court of Appeals might do after he has been accorded the opportunity to go there.

In my opinion, the answering argument to the able Senator from Nebraska is that the present burdens of the Office of Price Administration are almost unbearable, and to add to them would be doing not only an injustice to them but an injustice to the people who are affected by the new regulations who are anxious to come forward and have their cases disposed of and decided as speedily as possible.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. TAFT. The Senator referred to an association in the committee. I do not remember this point being raised in the committee. The amendment which is proposed says that in criminal cases a man who is charged may, after judgment, say to the judge, "I did not file a protest against this regulation in time, but I had an excuse, and I ask your permission to go to the Emergency Court of Appeals." As I understand, the amendment merely

extends that privilege to triple-damage cases.

Of course, the difficulty with not extending it is that if it is not extended—and, as I have said, I do not think the question was discussed in the subcommittee—the Price Administration could always get away from this procedure by filing a triple-damage case and not filing a criminal case. It seems to me if we want to make the act effective we should extend it to triple-damage cases as well as criminal cases. I do not see that it imposes any greater burden on the Price Administration. They may have to defend their cases in court before the Emergency Court of Appeals, but we have opened up the past regulations anyway for 60 days; so they have to meet that problem sooner or later.

Mr. MURDOCK. Is not that the answer to the amendment of the Senator from Nebraska? We open up for a period of 60 days an opportunity for every protestant to come in after the enactment of this act, beginning July 1, for a period of 60 days. Any aggrieved person has a right, notwithstanding what he has done in the past, to come forward again and to protest to the Administrator against a regulation or order.

Mr. TAFT. The Senator's argument, however, proves too much. It proves that the whole amendment relating to criminal proceedings is unnecessary.

Mr. MURDOCK. I agree with the Senator that it is.

Mr. TAFT. This amendment is only intended to deal with cases hereafter. After the 60 days in the case of new regulations expire, people who are hauled into court by the Price Administration and have not filed protests may, if they have a proper excuse, and only in the discretion of the district court judge, get their case before the Emergency Court of Appeals.

That does not seem to me a very high privilege, and I am inclined to think that if it is granted in criminal cases it ought to be granted in triple-damage cases. I do not see any difference. The Price Administration has not filed many criminal cases. They usually file triple-damage cases; and if they are afraid of any such question being raised, they will not file a criminal case but will file a triple-damage case. If we want to make the amendment effective, we ought also to adopt the Wherry amendment. I really believe that is a necessary supplement to the pending amendment.

Mr. MURDOCK. Mr. President, I thoroughly appreciate the Senator's present attitude, as I appreciated his attitude in the subcommittee. Had this question been raised there, had we been given the opportunity to go into its ramifications, then we might have acted on it; but, in my opinion, it is not proper to bring it to the floor today without any more information about it than we have, and in the face of the fact that every protestant on the old regulations has an additional 60 days, and the further fact that today the people of the United States from one end of the country to the other are cognizant of the price-control procedures, and no man who is

adversely affected or aggrieved by a regulation is going to fail within the 60-day period to come forward and make his protest. If he makes his protest, then, of course, he has the very remedy the Senator's amendment would give him if he neglected to come forward within the 60 days and assert his rights.

In my opinion, Mr. President, the Senate should take the committee amendment as it is offered. The Senate should make the distinction between a man confronted with the loss of his liberty and a man confronted only with the loss of property.

I state again that we must have in mind the manpower shortage in the United States; we must have in mind the very difficult situation in which this administrative agency, and all others, find themselves in obtaining men of proper caliber to fill the important jobs under them.

If an effort is made by this amendment to bring about justice to the violator who has not taken advantage of his 60-day remedy, it will deprive people who are entitled to it getting expeditious treatment and disposition of their cases.

Mr. President, I hope the Senate will vote down the amendment of the Senator from Nebraska.

Mr. WHERRY. Mr. President, in my own time I should like to say that I had no opportunity of going to the committee and suggesting this amendment. This is new legislation. The committee has perfected the criminal procedure, and when that was done, they were holding closed hearings, and I had no opportunity to offer any amendment of this kind in the committee when the hearings were proceeding. I did offer several amendments to the committee, but this amendment did not come up. It was unnecessary. As the Senator from Ohio pointed out yesterday, this question was never brought before the committee. We never had a chance to bring it before the committee, because in the pending measure the committee has perfected the criminal procedure, as brought out by the committee amendment, by doing the very thing in criminal proceedings I am asking to have done in civil suits after judgment has been rendered. That is all there is to it.

All the talk about manpower and the undue hardships forced upon O. P. A. is beside the question. Action has been taken in regard to the criminal proceedings provision. The committee perfected those proceedings. What is to be done in criminal proceedings? If one has failed to file a protest against any price order or regulation, he is given the right, in the proposed new criminal procedure statute, to come forward in the second 60-day period and set up any right he had in the first period. The right to test what? Not merely the price order, but the validity of the price act itself. This is what we find at the top of page 7:

The defendant may apply to the district court for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant has been found to have violated.

That is the right given a person under the new proposal, in criminal proceedings. What else do we find?

The district court shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a).

When we considered this matter in the committee hearings, when there were present several Senators from various sections of the country, it was suggested unanimously by them that in suits for damages one of the difficulties with the present act was the fact that they would be filed in venues outside the State in which the violations occurred, and that many times the price order would be issued and would lie dormant, and one would never know it was issued within the 60-day period. Then, when a person came in to defend himself in a court, he found he was foreclosed, because he had no right to set up as a defense any right he had prior to the 60-day period.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Will the Senator from Nebraska consider an amendment to his amendment, after the word "judgment" to add the words "or decree"?

Mr. WHERRY. That would be agreeable to me.

Mr. FERGUSON. There may be some question in a chancery case as to whether or not this provision would apply, so, in order to make it certain that it would apply in chancery as well as in law, it should read "judgment or decree."

Mr. WHERRY. The point is well taken, and I accept the amendment, if it is in order, that the words "or decree" be inserted after the word "judgment" wherever it occurs.

The PRESIDING OFFICER. The Senator has the right to modify his own amendment.

Mr. WHERRY. I accept the amendment, and I wish to thank the Senator from Michigan for his suggestion. I understand what he is getting at.

We are not attempting to do anything adverse to the Price Control Act. We are not trying to hinder it. We are trying to make it a better act. If this amendment shall be adopted, I am sure the suits which have caused so much trouble, triple-damage cases, will be better handled. I think there will be fewer suits filed, because the department will be very sure, when it comes to upholding the validity of a price regulation, that the price regulation is sound and is not invalid. Such foresight will certainly tend to eliminate a multiplicity of suits.

I can cite the case of farmer after farmer being cited for violation of the regulation regarding the sale of corn because he did not have the right moisture content in his corn, in one case it being only 1 percent over, and he was assessed triple damages. Because he did not protest within the 60-day period, he had to pay triple damages, and it took half of what he received to pay the damages. That is neither fair nor just.

Mr. President, that is what is causing trouble with the Price Control Act. We are trying to make a better act out of it. The criminal-proceeding feature has been amended, and a better procedure has been provided. All in the world we are asking is that persons be permitted to come forward within the 60-day period, the additional 60 days. Instead of merely challenging the price regulation itself, a person would have the right to challenge the validity of the price regulation. It will not be a burden upon the manpower, it will not hurt the procedural or administrative work, about which the Senator from Utah talked so ably a few moments ago. It will not burden in any way the district courts and it will not unduly burden in any way the Emergency Court of Appeals. The violator simply files an application to the district court, and upon proper showing is granted a review by the Emergency Court of Appeals.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I am always glad to yield to the Senator from Utah.

Mr. MURDOCK. Does the Senator attach any importance at all to the statements made by the officials of the Price Control Administration?

Mr. WHERRY. I was not in any meeting where the officials were present. This question was not brought up. It was not even brought up in the committee meetings, according to the statement of the Senator from Ohio. This matter has developed since the criminal-proceedings feature was adopted.

Mr. MURDOCK. Certainly, and if the Senator will yield further—

Mr. WHERRY. I yield.

Mr. MURDOCK. We were told by Mr. Field that the extension of this privilege and right to the person in the criminal proceeding would be adding another burden to those the Administration already has, and the question of extending further opportunity to litigants in civil proceedings was certainly answered by the price control people in their statement that "If you do not want to bog us down entirely you will not do that very thing."

Mr. WHERRY. I desire to answer the question asked by the Senator from Utah by saying that it is only after considerate judgment that the provision is suggested. The amendment does not change one thing in the provisions which have been perfected with respect to criminal proceedings, except to take out the word "criminal," and make the provision apply to all proceedings. There is no change in the matter of procedure. The amendment would simply provide that a man who is brought into court and sued for damages, who is facing the imposition of treble damages, shall be given the same right as is given to one who is haled into court and faces a criminal penalty. That is all. It seems to me that one who is faced with the imposition of treble damages, as many of these farmers and processors are, should have the same right to set up a defense and challenge the validity of an act in a civil suit or injunction proceeding as is permitted in a criminal proceeding, and that is what the amendment does. That is all there is to the

amendment. I hope the Senate will adopt the amendment. I move its adoption at this time.

Mr. WAGNER. Mr. President, the Senator from Ohio stated a moment ago, as did also the distinguished Senator from Nebraska, that the committee did not consider this question at all. I think the Senator from Nebraska is mistaken in that statement. The question was considered.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WAGNER. Yes; I yield.

Mr. WHERRY. I understood the Senator from New York to say that I said I had not presented the amendment.

Mr. WAGNER. Oh, no.

Mr. WHERRY. I simply repeated the remarks made by the senior Senator from Ohio, who said that the question had not been raised in the committee. I am not a member of the committee. I said that I did not present the amendment to the committee. I did present another amendment which is entirely different from this amendment.

Mr. WAGNER. The question whether the provision should be limited to criminal proceedings was presented to the committee.

Mr. WHERRY. That is not my statement, I will say to the Senator.

Mr. WAGNER. I wish to read from the report respecting this very proposition. I read from page 13 as follows:

In the proposed amendment, the committee has attempted to give adequate weight to the above considerations and yet to provide against the possibility that a defendant might be punished criminally for violating a regulation which, but for excusable failure on his part to file a timely protest, he might have successfully challenged in the Emergency Court of Appeals. In making provision for this unusual case, the committee has sought to preserve the essential pattern of the statute and to avoid insuperable obstacles in the way of effective enforcement. Therefore, the availability of the special remedy is limited to criminal proceedings; and, in order to prevent its use as a means of delaying the trial of such cases, it is provided that the application for special leave can be made only after judgment.

The wisdom of thus limiting the amendment becomes apparent when the enormous task of enforcing price and rent control is appreciated. We were informed, for example, that the number of enforcement proceedings instituted each month for price or rent violations has recently been averaging over 700. If in every one of these cases the validity of the regulations could be challenged, even though only to delay trial by contesting the regulation in the Emergency Court of Appeals, enforcement would break down completely, while the absorption of the operating staff in the resulting flood of litigation in that court would seriously interfere with effective administration.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. WAGNER. Yes.

Mr. WHERRY. What I am talking about is the cases after judgment has been entered; not prior to judgment.

Mr. WAGNER. So are we talking talking about these cases after judgment.

Mr. WHERRY. I understood the Senator to read language which referred to delay of trials. I am not talking about cases before trial. What I am speaking

of is cases after judgment has been entered.

Mr. WAGNER. I have not concluded what I wish to read.

Mr. WHERRY. What I understood the Senator to read applied to cases before trial.

Mr. WAGNER. Let me continue to read:

It also seems clear that if compliance is to be effectively secured while a case involving the validity of a regulation is pending, civil remedies, including the treble-damage provision, should not be nullified by a subsequent determination of invalidity of the regulation. It is, therefore, made explicit in the amendment that the pendency of a protest or a complaint is not to be grounds for delaying a civil proceeding, and also that a judgment of invalidity in the Emergency Court of Appeals is not to be grounds for relief from civil liabilities which have been incurred on account of violations before such determination of invalidity. If civil remedies were not thus left unimpaired by the amendment, it would undermine the fundamental proposition that price and rent regulations must be obeyed even while being litigated, thus jeopardizing one of the principal benefits of the exclusive jurisdiction provisions of the statute.

Mr. WHERRY. Mr. President, in answer to what the Senator from New York has read I simply wish to say that the litigation has already ended when the application by the defendant for appeal to the Emergency Court of Appeals is brought to the district court. Everything the Senator has read applies to the procedure in connection with a suit for damages. In neither one of those proceedings does the individual who is charged with a violation have the right to set up the question of the validity of the price control as a defense. That is all I am talking about. The same right should be given to an individual in a civil proceeding to make application to the Emergency Court of Appeals as is given in a criminal proceeding.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. JOHNSON of Colorado. I am very much interested in the debate which has taken place, and I do not altogether understand its application. I wish to present a specific case and ask the Senator from Nebraska in what way, if any, his amendment would affect it. I call his attention now to the case of an onion shipper of Rocky Ford, Colo., who is shipping premium onions, 3-inch onions, sandwich onions they are called. Of course the onion season, as Senators realize, is very short. If we happen to have bad weather the whole crop is completely destroyed. These onions are brought in and are run over a grader. Four persons stand on each side of the grader and pick out the cull onions, and the small onions are supposed to fall through the slack.

In the case I have in mind the buyers of the onions were present, they saw the onions graded, they saw them placed in the bags. They bought them. They did not buy them sight unseen. They bought them as they saw them graded. The onions were sold and were shipped, without any complaint on the part of any shipper or any receiver. It happens,

however, that the State of Colorado has a very strict inspection law, and the State inspector found that these onions did not measure up to No. 1 grade. On the strength of that inspection the O. P. A. came in, and in the case of this one particular shipper they assessed him treble damages, which amounted to \$40,000. The shipper had passed on the price to the grower. The shipper received 5 cents shipping charge out of it. The grower received the top price. The receiver was well satisfied. The consumer of the onions was pleased because they were splendid onions, except that they did not quite measure up to the standard. This particular shipper was assessed \$40,000, which meant his life savings, everything he had, and more than he had, because he had not accumulated \$40,000.

What would the Senator's amendment do in such a case?

Mr. WHERRY. I will explain to the Senator from Colorado. The case the Senator has presented is as good a case as I could present as an example of what I am trying to do. In that particular case judgment was found against the violator in a suit for damages. The amendment would apply in this manner: The defendant could go to the Federal district court and there apply for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant had been found to have violated. If he did not have that remedy the case would be closed. Then the only point he could contest in that case was whether there was a price violation, as interpreted by the Office of Price Administration, and as it was so found in this case, a penalty of \$40,000 was imposed, and the defendant was through.

In a criminal proceeding the privilege is extended the defendant of filing a complaint in the Emergency Court of Appeals setting forth objections to the validity of a provision which the defendant is alleged to have violated. I wish to give the defendant in a civil proceeding the same right that is granted a defendant in a criminal proceeding. I wish to give the individual the right after judgment has been rendered and the penalty has been assessed to apply in the district court for stay of proceedings, and make application for appeal to the Emergency Court of Appeals. He does not now have that right. Then when he makes the appeal I want him accorded the right to have the validity of the provision of the act passed upon, not simply the question of price, but the entire validity of the price regulation, and if the Emergency Court of Appeals finds that the provision is invalid, then the defendant will not have to pay the penalty, and will be relieved of any further obligation. Under present procedure the defendant must pay and there is no other recourse.

Mr. JOHNSON of Colorado. Mr. President, if the Senator will yield further, let me say that this particular shipper, it seems to me, had a very good case, had he been able to go to court with it, because the rule under which he

was fined was not uniformly applied throughout the United States.

Mr. WHERRY. That is correct.

Mr. JOHNSON of Colorado. The shippers in Utah and shippers in Idaho, because they had a different basis of State inspection, were not placed under the same handicap under which the shipper from Colorado was placed.

Mr. WHERRY. That is correct.

Mr. JOHNSON of Colorado. But he had no day in court to protest that rule or bring out that point.

Mr. WHERRY. That is correct. Perhaps I did not make it clear that I think the committee has gone a long way to help out in that situation. The adoption of the 60-day clause for protests is certainly a decided advantage. But this is a specific example—we could not get a better one—of the very thing I am attempting to do, namely, to give that man his day in court in the Emergency Court of Appeals, just as the committee is giving him the right if he is charged criminally. But apparently what the Office of Price Administration is doing and will continue to do is not to file a criminal case, but merely to file a civil case, so that triple damages can be assessed against such persons all over the country. These defendants will not be given a day in court at which to present the defense to which they are entitled.

That is exactly the amendment, and that is exactly what it will do.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HOLMAN. I am not a lawyer—

Mr. WHERRY. That is a good thing. [Laughter.]

Mr. HOLMAN. Therefore, I speak with temerity to lawyers on a legal subject. When this discussion proceeded, I thought of a quotation from Shakespeare which seemed to apply to it. I do not know whether Shakespeare is good law, but I understand the Senator is drawing a distinct line between civil and criminal matters. I take it that when a man's life is taken, that is a criminal matter. Shylock said:

Nay, take my life and all; pardon not that: You take my house, when you do take the prop
That doth sustain my house; you take my life.

When you do take the means whereby I live.

It seems to me that would demonstrate that the remedy for a civil action runs concurrently with the remedy for a criminal action.

Mr. WHERRY. I thank the Senator from Oregon. I will say that I have tried some few lawsuits in my time, and that is the first time I have heard Shakespeare quoted as authority. However, I accept it, and I think it is very apropos.

Mr. President, I move the adoption of my amendments to the committee amendment, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Radcliffe
Ball	Gerry	Reed
Bankhead	Gillette	Revercomb
Barkley	Green	Robertson
Brewster	Gurney	Russell
Bridges	Hatch	Shipstead
Brooks	Hawkes	Stewart
Buck	Hayden	Taft
Burton	Hill	Thomas, Idaho
Bushfield	Holman	Thomas, Okla.
Butler	Jackson	Truman
Byrd	Johnson, Colo.	Tunnell
Capper	La Follette	Tydings
Caraway	Lucas	Vandenberg
Chandler	McClellan	Wagner
Chavez	McFarland	Wallgren
Clark, Mo.	McKellar	Walsh, Mass.
Connally	Maloney	Walsh, N. J.
Cordon	Maybank	Wheeler
Danaher	Mead	Wherry
Davis	Millikin	White
Downey	Moore	Wiley
Eastland	Murdock	Willis
Ellender	Nye	Wilson
Ferguson	Overton	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendments of the Senator from Nebraska, as modified, to the amendment of the committee inserting a new section 107. Without objection, the vote will be taken on the amendments en bloc.

Mr. WHERRY. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BRIDGES. I have a pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Massachusetts [Mr. WEEKS], and will vote. I vote "yea."

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from South Carolina [Mr. SMITH], and the Senator from Utah [Mr. THOMAS] are detained on public business. I am advised that if present and voting, the Senator from Pennsylvania [Mr. GUFFEY] would vote "nay."

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Texas [Mr. O'DANIEL], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent. I am advised that if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "nay."

The Senator from Mississippi [Mr. BILBO] is detained in one of the Government departments on matters pertaining to the State of Mississippi.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business. I am advised that if present and voting, the senior Senator [Mr. McCARRAN] would vote "yea."

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN] is necessarily absent. He has a general pair with the Senator from Florida [Mr. ANDREWS].

I am advised that the Senator from Massachusetts [Mr. WEEKS] would vote

"yea" if present. He is necessarily absent.

The Senator from North Dakota [Mr. LANGER] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The result was announced—yeas 48, nays 26, as follows:

YEAS—48

Alken	Danaher	Reed
Ball	Davis	Revercomb
Bankhead	Eastland	Robertson
Brewster	Ferguson	Shipstead
Bridges	Gillette	Stewart
Brooks	Gurney	Taft
Buck	Hawkes	Thomas, Idaho
Burton	Holman	Thomas, Okla.
Bushfield	Johnson, Colo.	Tydings
Butler	La Follette	Vandenberg
Byrd	Lucas	Wheeler
Capper	McClellan	Wherry
Chandler	McKellar	White
Chavez	Millikin	Wiley
Connally	Moore	Willis
Cordon	Nye	Wilson

NAYS—26

Barkley	Hayden	Radcliffe
Caraway	Hill	Russell
Clark, Mo.	Jackson	Truman
Downey	McFarland	Tunnell
Ellender	Maloney	Wagner
George	Maybank	Wallgren
Gerry	Mead	Walsh, Mass.
Green	Murdoch	Walsh, N. J.
Hatch	Overtown	

NOT VOTING—22

Andrews	Johnson, Calif.	Reynolds
Austin	Kilgore	Scrugham
Bailey	Langer	Smith
Bilbo	McCarran	Thomas, Utah
Bone	Murray	Tobey
Clark, Idaho	O'Daniel	Weeks
Glass	O'Mahoney	
Guffey	Pepper	

So Mr. WHERRY's amendments, as modified, were agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was on page 8, after line 21, to insert:

SUITS FOR DAMAGES

SEC. 108. (a) Subsection (e) of section 205 of such act is amended to read as follows:

"(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Administrator, the buyer shall there-

after be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered."

(b) The amendment made by subsection (a), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within 30 days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of the enactment of this act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this act and with respect to proceedings instituted thereafter.

Mr. LUCAS. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. On page 8, line 25, after the word "commodity", it is proposed to insert "knowingly"; and on page 9, line 19, after the word "commodity", it is proposed to insert the word "knowingly."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois to the committee amendment.

Mr. WAGNER. Mr. President, the amendment just proposed by the Senator from Illinois is a very important one.

Mr. LUCAS. If there is any question about the amendment, I desire to detain the Senate for only a few moments with respect to it.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. What is the pending amendment?

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will again be stated by the clerk.

The CHIEF CLERK. On page 8, line 25, after the word "commodity", it is proposed to insert "knowingly", and on page 9, line 19, after the word "commodity", it is proposed to insert "knowingly."

Mr. LUCAS. Mr. President, the language of the committee amendment beginning in line 25, on page 8 of the pending bill, reads in part as follows:

If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation except as hereinafter provided, bring an action against the seller on account of the overcharge.

The language which I have just read deals with the treble damage section of the legislation which has been discussed from time to time in the debate. All my amendment would do would be merely to add the word "knowingly" so that

the language would read, "If any person selling a commodity knowingly violates a regulation, order, or price schedule," and so forth.

Mr. President, my amendment is very important. I am confident from what I have learned of the suits which have been filed in my section of the country under section 108 of the act, that the amendment is a constructive one and should be agreed to. It seems to me that an individual who, through an honest mistake, sells a commodity for more than he should sell it, should not be penalized in a suit in the Federal court for treble damages, either by the buyer or by the Administrator.

I do not know what the evidence has disclosed with respect to a buyer instituting a suit against the seller for violation of the act. However, in the cases of which I know anything, the Administrator has been responsible for the institution of the suit for treble damages.

We are all familiar with the Hecht case. It went to the Supreme Court of the United States, and the Supreme Court unanimously held that if a person in charge of selling commodities had made honest mistakes in violation of the act and was willing to rectify them by restitution, he should not be annoyed or damaged by court action.

We all know that at times it is most difficult for the little fellow at the junction to understand the exact meaning of the language contained in some of the orders or regulations which have been issued from time to time by the O. P. A.

I wish it to be distinctly understood that I am strongly in favor of the objectives of the Price Control Act. I am of the opinion that it has probably been the most influential piece of legislation which could have been enacted in checking inflation, and holding prices where they should be held. It has been probably the most influential measure in that direction that has been passed by Congress during the emergency. However, there has been some maladministration of the act.

I do not lay heavy blame upon individuals who are attempting to administer the act. The Senator from Utah has rightfully said that the act is difficult to administer, and from the standpoint of public relations the question of obtaining the proper manpower is a very difficult one. Nevertheless, the home front is an important one from the standpoint of maintaining morale. I know that some investigators in the O. P. A. do not exercise the good judgment in connection with the present emergency that they should exercise as they go about from place to place in the performance of their duties as investigators of alleged violations of the O. P. A.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I shall be glad to yield in a moment.

The individual who knowingly and willfully violates the directives of the Office of Price Administration, or the regulations or orders promulgated by it, should be penalized. So far as I am concerned in time of war there is no criminal penalty or damages heavy

enough to be laid upon that kind of an individual.

Mr. HATCH. Mr. President, will the Senator now yield?

Mr. LUCAS. I yield.

Mr. HATCH. I merely wish to ask the Senator a question. I believe I am in sympathy with what he is attempting to accomplish. However, the use of the word "knowingly" in connection with his amendment indicates to me that the way in which the word might be interpreted would leave wide open to any person desiring to violate the law the defense merely of not reading the regulations, or obtaining knowledge concerning them, and that after a suit had been instituted he could say in effect, "Well, I didn't know anything about it."

Mr. LUCAS. Mr. President, the Senator may be correct in his views. I may state that originally I had put into the amendment the words "Willfully and knowingly." I dropped the word "willfully", but if there is any question about it I will modify the amendment by putting it in.

Mr. HATCH. My thought is that the word "willfully" would vastly improve the amendment.

Mr. LUCAS. As I have said, at first I had in the amendment the words "willfully and knowingly." I have discussed the question with the Senator from New Mexico outside the Chamber, and perhaps his suggestion should be adopted.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. RADCLIFFE. Mr. President, I have some remarks to make on this subject on behalf of the committee. Does the Senator from Illinois prefer that I wait until he has finished his statement?

Mr. LUCAS. I am about to conclude. I will yield to the Senator if he wishes to ask a question.

Mr. RADCLIFFE. I wish to speak with reference to several features of the bill, and especially with reference to one point which has been brought up.

Mr. LUCAS. I may say to my good friend, the Senator from Maryland, that I would prefer being allowed to complete my remarks.

Mr. RADCLIFFE. Very well.

Mr. LUCAS. I know what the committee has done in connection with the amendment to the section to which I have referred. The committee is to be congratulated upon attempting to meet the situation by giving to the court a certain amount of discretion with respect to the assessment of damages. However, I still assert, Mr. President, that an individual who has been caught in the honest violation of a regulation should under no circumstances be haled into court in a treble damage suit.

All I am attempting to do by this amendment is to protect the individual who is at the crossroads in a little store, say, at Nebo, Ill., and who perhaps is not familiar with the details and all the fine points of a regulation that comes from Washington, D. C. He proceeds upon the interpretation some local lawyer or a representative in the O. P. A.

office may give him. We know that those in charge of the enforcement of the O. P. A. regulations have not always been right in the proper construction of what a given regulation means. This honest merchant should not be penalized for an honest mistake.

That is what I seek to correct by this amendment. I think it is in the interest of building good morale on the home front. I know of one or two instances of individuals who have never been in court in their business existence being haled into court as a result of an honest violation of a regulation. I know of a partnership in my State which has enjoyed a reputation for honesty and integrity in business for the last 75 years, which is now in the Federal court. They claim the violation was an honest error. They were not attempting to defeat the Government or the buyer in connection with the payment of what is due and owing if they overcharged, but they contend seriously that the overcharge was a mistake upon their part and that they did not have the manpower to supervise every detail in every department of their large store.

That particular industry, in my humble opinion, has been damaged and the reputation the industry has enjoyed over a long period of years has been impaired in the eyes of the public by the action bringing it into a Federal court. It seems to me that the court should have the right to say whether or not a man has knowingly and willfully violated a regulation, and, if the court finds that he has, then, instead of assessing triple damages, he can be assessed damages commensurate with the violation.

That is all my amendment does. I should like to modify it by adding the words "and willfully", so as to read "knowingly and willfully."

The PRESIDING OFFICER. The amendment will be so modified.

Mr. LUCAS. I yield the floor.

Mr. RADCLIFFE. Mr. President, I am in sympathy with much of what the Senator from Illinois has said. I differ with him, however, as to the procedure to be followed. It seems to me that the insertion of the word "knowingly" would practically nullify the operation of the O. P. A. Act. How could it be ascertained whether a person knew that he was violating the law? Would there be any burden upon him to find out what the laws and regulations are? If he can simply rely on the assumption, until he is advised otherwise, that he can sell at any price he sees fit, I think it would be practically useless for us to have any O. P. A. law.

As I stated I am in sympathy in part with what has been said by the Senator from Illinois; and the committee in considering that matter upon my motion has taken action which modifies very materially the present law. Under the present law if a case goes to trial and the overcharge is found to be a certain amount, the court has no discretion whatever except to assess triple damages. The court may come to the conclusion that there were extenuating circumstances, and that the imposition of triple damages would be unreasonable, but un-

der the present law there is no such judicial discretion. The committee has attempted to cure that situation by providing that the damages may be from one-half to three times the amount of the overcharge, in the discretion of the court. In cases where there has been a deliberate and flagrant attempt to flout the law, then, as the Senator from Illinois said a moment ago, triple damages should be imposed upon the one who has made the overcharge.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. CHANDLER. I have a case in mind where the damages actually collected, when the overcharge was only 10 cents, amounted to 750 times the overcharge. What should be done in a case such as that?

Mr. RADCLIFFE. The overcharge was 10 cents?

Mr. CHANDLER. The overcharge was 10 cents and there was collected \$75; \$50 for damages and \$25 for lawyer's fees. I know of three cases where the total amount of overcharge was 20 cents, and \$150 was collected. Even the judge in one of the cases said there was nothing he could do about it other than assess the amount, although he realized there were extenuating circumstances.

Mr. RADCLIFFE. I want to say to the Senator from Connecticut that, if he will bear with me for a moment, and let me finish what I was saying in regard to triple damages, I will come back to the point he has in mind.

Mr. CHANDLER. I have offered an amendment which I intend to call up and which, I think, will be, perhaps, somewhat more effective in clearing the situation than the amendment offered by the Senator from Illinois. I should like to have the Senator have an opportunity to look at it and see if we cannot reconcile our differences. I think it is a great mistake to make it possible where a violation has not been committed knowingly to provide such extreme penalties. There is no excuse in my opinion for assessing \$50 and lawyers' fees for trivial mistakes.

Mr. RADCLIFFE. Mr. President, the committee has as I stated attempted to meet that situation by providing a sliding scale of from one and a half to three times the amount of the overcharge. It might be asked with much reason why one and a half; why should not the judgment be merely the amount of the overcharge? If these were normal times, if we were not attempting to enforce an emergency measure, that conclusion would be irresistible, but, as a matter of fact, as we well know, such is not the situation. These are wartimes; we are trying to apply measures which the necessities of war demand, and, in order to meet the needs of the situation we have by reduction fixed a minimum of one and a half of the overcharge. How would that work practically? Suppose the overcharge is \$100 and it should be demonstrated unmistakably in court that it is an overcharge. In such a case, under the amendment, the court could impose damages of between \$150 and \$300; whereas, under the present law, the

court would have to impose damages of \$300, and could not take into consideration in any way at all any of the extenuating circumstances.

As I have said, if these were normal times, I would prefer that the court be authorized to fix damages merely for the amount of the overcharge \$100, but if that were done, it is quite likely that the courts would be opened to many cases which should not be brought. It seems to me in wartimes it is not an unreasonable thing to say even to a person who has acted in good faith, "You have violated the law; but since there are extenuating circumstances, we are only going to add 50 percent to the amount of the overcharge, much as we regret that war necessities requires any penalty.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. RADCLIFFE. Certainly.

Mr. McKELLAR. Of course, a great many laws of this kind are passed. I wish to ask the Senator, Does he know of any law that was ever passed that did not provide that the act subject to the penalty should be knowingly and willfully committed? Of course, I do not recall them all but I do not remember ever having seen an act passed anywhere, by Congress or by any State or by any city authority in its bylaws, that did not include the words "knowingly and willfully."

Mr. RADCLIFFE. Let me in reply ask the Senator a question: Suppose there is an overcharge; let us suppose it is made innocently as the learned Senator says, certainly the seller should not pocket it. If an article should be sold for \$25 but the dealer actually sells it for \$60, no matter how innocent he may be, should he be entitled to pocket the \$35, if he acted contrary to law and regulations? There is no justification in the world for such unwarranted profits. So anyway we look at it the amount of the overcharge has to be returned. I care not whether it was made willfully and knowingly or not, the seller has money to which he is not entitled. If we have a right to pass an O. P. A. law—and the Supreme Court has decided we have the right and that the present law is constitutional—then certainly no overcharge should be pocketed and retained by the seller irrespective of whether or not he obtains it in good faith.

There can be no justification in the world for that. The only question is whether there shall be any penalty. What we have done in this case is to fix a minimum penalty, adding 50 percent to the amount of the overcharge, which is, after all, a very mild punishment, and one which, I feel, we must provide under the circumstances. Otherwise, we can conceive of a situation of a man taking chances and then going into court and saying, "I can probably demonstrate to the court that it was done innocently, and therefore at the most I shall be obliged to return only the money which is determined to be the overcharge." If we insert the words "willfully and knowingly," we open up the courts to many cases of that kind. In normal times that might be proper, but if we are to undertake to execute a law

which should be enforced, it seems to me that a moderate penalty, 50 percent in addition to the overcharge, is reasonable.

Mr. LUCAS. On what theory should an honest individual be penalized, even in time of war?

Mr. RADCLIFFE. Whether the person is innocent or not, if there is a rule or regulation put into operation by the O. P. A. which provides that an article should be sold for \$50 and he sells it for \$75, should he be entitled to put the \$25 in his pocket as unjust enrichment?

Mr. LUCAS. No; and under this provision, if I read it right, the court would have the power to compel him to pay the \$25 back. What I object to is letting anyone collect treble damages.

Mr. RADCLIFFE. I understood the Senator from Illinois to say just a few moments ago that if a man makes the overcharge willfully, he should be punished.

Mr. LUCAS. Oh, yes; if he does it willfully.

Mr. RADCLIFFE. This leaves the matter in the discretion of the court. The court is the one to determine, not the Senator and I, whether a thing is done willfully, and if the court decides it is done willfully and knowingly and in a flagrant manner, the court can impose as much as triple damages. If, on the other hand, the court thinks there are extenuating circumstances, then the court can simply impose a judgment in the amount of the overcharge, plus 50 percent.

Mr. LUCAS. I do not see how the inclusion of the three words, "knowingly and willfully," will in anywise affect the enforcement of the O. P. A. Act, but I believe that their addition will place a responsibility upon those who are enforcing it to do a better job in public relations.

Mr. RADCLIFFE. I do not think the Senator from Illinois means to bring in a general indictment against the O. P. A.

Mr. LUCAS. No, I am not bringing in a general indictment; but I happen to know of certain specific cases which arose in my section of the country, in which I feel that investigators, and those enforcing the law, have gone too far, and have used their offices to harass and annoy certain honest individuals who are not deserving of such treatment.

Mr. RADCLIFFE. I do not see what the justification is for failing to pass needful legislation on the theory that someone might abuse it in administering it. The Senator is now discussing the question of administration. Let me ask the Senator from Illinois a question. If he inserts the word "knowingly," then if a man has sold an article for \$75 when \$50 is the proper price, and did not do it knowingly, would the Senator from Illinois have him keep the \$25?

Mr. LUCAS. No.

Mr. RADCLIFFE. How would it be collected?

Mr. LUCAS. I have modified the provision by using the words "knowingly and willfully."

Mr. RADCLIFFE. If the Senator uses that language, how would he provide for

recovery of the amount of the overcharge?

Mr. LUCAS. As I read this provision, the court would still have the discretionary power to do whatever he thought was just under the circumstances. I do not believe there could be any question that the buyer would be able to recover the overcharge. It is a matter which can be corrected in conference or by a further amendment. But I am fighting for a vital principle, as I see it, involving many innocent people who are attempting to do the square thing in connection with the war effort.

Mr. RADCLIFFE. If a seller does not know the rules and regulations, certainly he is at fault to a certain extent. The law presumes that he knows the regulations.

Mr. LUCAS. Yes.

Mr. RADCLIFFE. In order to meet that situation, the committee has gone far in getting away from the rigidity of the triple-damage provision. It has brought it back to a situation where a seller will be told, "Under the circumstances, you will pay only 50 percent more than the amount of the overcharge." If there is any effective way by which the O. P. A. can be operated without providing some form of penalty, it was not apparent to the members of the committee.

Mr. GEORGE. Mr. President, will the Senator from Maryland yield?

Mr. RADCLIFFE. Certainly.

Mr. GEORGE. It is not in every instance possible, and has not been possible in every instance, for the seller to know precisely what the price ceiling is. I have had brought to my attention cases in which the manufacturer of a certain type of glove had made application repeatedly to know what his price ceilings were. He was referred to the law, and left in a state of doubt, and the final result was that he and other manufacturers of that type of glove were sued for triple damages.

Mr. RADCLIFFE. I agree with the Senator from Georgia, and I think the manufacturer was in a dilemma in that particular case. The Senator has heard of certain sellers who might not know what the regulations were, and who were acting in good faith. On the other hand, there are many sellers who do know what the regulations are, or at least they should know what they are, and they are in the other category.

If we do not provide some penalty, then what is to prevent those who do know, who have the opportunity to find out, simply saying, "We are going on selling at any price we see fit to charge," and then go into court and say, "We will take our chances of proving to the court that we did not do it in bad faith, and all we will have to do is to surrender the amount of the overcharge?"

I think that would be a perfectly reasonable situation in normal times, if an emergency law were not being administered, but if in these times the emergency law is to be properly executed, it seems to me inevitable that there should be some small penalty provided, even in the case of a man who violates the law without any intent to do so.

Mr. MURDOCK. Mr. President, will the Senator from Maryland yield?

Mr. RADCLIFFE. I yield.

Mr. MURDOCK. I call the attention of the Senator to the question asked by the able Senator from Tennessee [Mr. McKellar]. He asked whether the Senator knew of any such law having been enacted in which the words "knowingly and willfully" were not used. The answer to the Senator is the present price-control law, which excluded the words "knowingly and willfully" because of the knowledge we had at the time the law was passed that it would be almost an impossibility to administer a price-control law if it were necessary for the Administrator to prove knowledge on the part of the violator. So we did not insert that language in the original law.

We have now proceeded for 2 years under the price-control law, but it seems that at this time we are asked to legislate for the exceptional cases instead of legislating generally, and, because a few cases of injustice have resulted, we are asked now to insert the word "knowingly," and the Senator now has added "knowingly and willfully." In my opinion that would create such a difficult situation that the law would be impossible of administration, and in my opinion it would so weaken the law that its enforcement would be practically impossible.

Mr. RADCLIFFE. In concur in what the Senator says. As I tried to emphasize a moment ago, we are attempting to carry out a very unusual law in very unusual times, and to place upon the courts the onus of trying to ascertain in every case whether or not there was any intent would, I think, present a hopeless situation.

Mr. McKellar. Mr. President, I wish to ask the Senator from Utah a question. Did he say that the words "willfully and knowingly" were left out of the present law?

Mr. MURDOCK. There is no question about it.

Mr. McKellar. They were left out of the present law?

Mr. MURDOCK. They were left out, and if the Senator will refer to the debate carried on by our former colleague, Prentiss Brown, he will find out why they were left out.

Mr. RADCLIFFE. Mr. President, I will refer to another amendment by the committee. Under the existing law it would be possible to assess as damages \$50 for each offense. Suppose a seller believed he had a right to sell at a certain price, and he sold a number of articles at that price, but the price was too high. Under the existing law he could be fined either in triple damages, or if the amount of overcharge was less than \$50, he could be fined \$50 for each item. The committee thought such a provision was unreasonable, and they were of the opinion that the ends of justice would be served and that the administration of the law would be promoted if the amount of the recovery were restricted to one item of \$50. I am referring to such overcharges as are under \$50. In other words, instead of paying a judgment of \$50, including \$50 for every one of the

items overcharged, there is simply one item of \$50 involved. The committee felt that such modification would go a long way toward ameliorating the situation so far as the seller was concerned. These two amendments, it seemed to the committee, would eliminate nearly all the objections which might be raised on the part of anyone to any theory of imposing damages.

As I said before, of course the overcharge should be returned to the buyer under any circumstances. There can be no sound argument against such return.

Now suppose an item should sell for \$1, and a seller sells it for \$1.25. I grant that a penalty of \$50 seems to be a hardship when the overcharge is only 25 cents. But in the imposition of any fines some special figure must be provided, otherwise the alternative is unsatisfactory. If the court were restricted to the overcharge only it would not be really a penalty to a seller, or at least not one which would cause him any hardship, if he had to return a nominal amount only, as, for instance, 25 cents.

Mr. President, I do not claim any special aptness or efficacy for the figure, \$50. That figure was settled upon 2 years ago in our legislation arbitrarily. We are going a very long way, indeed, when we restrict that \$50 to one charge of \$50 and not \$50 for every item.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. WAGNER. When the matter was before the committee we did discuss, did we not, at some length the question of whether the word "willful" should be inserted in the proposed amendment, and I think the committee was nearly unanimously of the opinion that such an amendment would so cripple the O. P. A. with reference to this particular phase of the matter that the provision would be worthless. We then abandoned the idea altogether.

Mr. RADCLIFFE. As the chairman pointed out some time ago, we have had many long sessions on many days in committee in consideration of this subject, but I feel confident that the members of the committee became convinced that the insertion of the word "willfully" or the word "knowingly", or both, would make the act so difficult of operation and the suggested changes would so weaken it as to make it ineffectual.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. BARKLEY. There is one consideration which I find it difficult to get away from. With respect to habitual violators of the price ceiling, I imagine that only one out of a thousand cases ever gets into court. For 1 person who would take a case to court there are 999 persons who would not. Many persons would rather suffer whatever price increase was inflicted upon them than go to the trouble of going into court. While the penalty of \$50 in one particular case seems severe, when we consider the large number of cases in connection with which there is no proceeding at all because it is not worth while to go into court about a small amount, when taken

on the average, the penalty would not amount to so much after all.

If the proposed amendment were placed in the measure the duty would be placed on the Government to prove that the violator knew that he was violating the law. It is not always easy to prove that, because such knowledge is only within the control of the seller himself. If there were only one violation involved with a penalty of \$50 in the case of a dime or 25 cents overcharge, it might be considered to be a severe penalty, but if we strike an average, and consider the fact that there are many more violations that never get into court than those which do get into court, I say the penalty is not so severe after all.

The difficulty about the amendment, in my judgment, is that it puts the burden of proof on the Government to prove that the individual knew that he was violating the law.

Mr. RADCLIFFE. The Senator from Kentucky is entirely correct. It places upon the Government a burden which is really an intolerable one, if it is going to try to enforce this emergency measure. The Senator from Kentucky is entirely correct when he says that all alleged violations do not come to court. Only a small percentage of them get into litigation. Usually the controversy is worked out by agreement with the O. P. A. But if the seller desires to go into court, then the procedure outlined here is the one which would govern.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. MILLIKIN. May I ask whether the Senator from Maryland is aware of the technique of voluntary contributions?

Mr. RADCLIFFE. Will the Senator from Colorado amplify his question a little bit? I know what some kinds of voluntary contributions are, of course.

Mr. MILLIKIN. The Office of Price Administration has a custom in a case where the purchaser who has been overcharged cannot be found, and where the mistake was inadvertent, of suggesting that the alleged violator make a voluntary contribution to the Treasury of the United States.

Mr. RADCLIFFE. I have heard of such alleged instances. Of course, the seller under such circumstances has the right to decide whether he will dispose of the claim or whether he will go into court. In only a very small number of cases does he resort to the court.

Mr. BARKLEY. That is in the form of a compromise before prosecution. The only way by which the money could go into the Treasury would be when it was in the nature of a fine.

Mr. MILLIKIN. Let me suggest to both distinguished Senators that in private life if the threat of a criminal prosecution is dangled over a man and it is suggested that, as an alternative, he make a voluntary contribution, it is a criminal offense.

Mr. BARKLEY. Of course, it is not a criminal offense if there is a violation of the law and the agency which is set up to regulate prices compromises the case with the defendant, or the would-be de-

fendant if the proceedings was had, whereby he pays into the Treasury what is the equivalent of a fine.

Mr. MILLIKIN. But there is no authority in law to do that. It is entirely extralegal procedure, as I say, to dangle over a man the threat of a prosecution which is withheld if he makes a voluntary contribution.

Mr. BARKLEY. I do not know how prevalent that custom is. I have not heard of it myself.

Mr. MILLIKIN. I am sure my information shocks the Senator.

Mr. BARKLEY. No; I have gotten beyond the shocking stage long ago.

Mr. MILLIKIN. I am sorry to hear that.

Mr. RADCLIFFE. Let me say to the Senator from Colorado that I am informed the procedure is that where there is an alleged violation the amount of the overcharge is gaged, or efforts are made to estimate it, and the amount of the overcharge is paid by the seller. If the seller is not willing to do so, of course he can submit to litigation.

I will agree with the Senator that so long as the mandatory triple damage provision was rigid, and there was no leeway or discretion in the court, there existed a situation which to a certain extent was unhealthy. The committee has tried to eliminate it by reducing, as I said a moment ago, the minimum to one and a half of the overcharge. The theory of any penalty may be the same in some respects, but the difference between 1 and 1½ is relatively small. And certainly the amount of pressure, if there is any pressure, on the seller to pay treble has been very much relieved, provided he feels he has a good cause. That is the reason why the committee felt that we should establish this sliding scale to eliminate any element at all of pressure, should any attempt ever be made to exert any pressure on the seller.

Mr. MILLIKIN. Mr. President, before the Senator takes his seat will he be kind enough to allow me to place in the RECORD some correspondence on the subject of voluntary contributions?

Mr. RADCLIFFE. Certainly.

Mr. CHANDLER. Mr. President, will the Senator yield to me now?

Mr. RADCLIFFE. Yes.

Mr. CHANDLER. A while ago the Senator was kind enough to state that he would let me question him a little further about the case I had in mind. It is one of several. I have an amendment which I think perhaps would cure it. That amendment would give the defendant the right to prove, if he could, that the violation was neither willful nor the result of failure to take practical precautions against the occurrence of the violation. That enables the storekeeper, for example, to show that he did not willfully make the overcharge or that he took every reasonable precaution to keep his sales force from violating the O. P. A. regulations. We must remember that many of the storekeepers are loyal supporters of the O. P. A. and wish to go along with it, but they do not wish to be treated as a storekeeper in a city in my home country—Louisville, Ky.—was

treated. I should like to give the Senator information about an actual occurrence there. The Kaufman-Straus Co. last October had some inexperienced sales clerks. One of them sold a customer three pairs of men's socks and, through an honest mistake, overcharged the customer 10 cents. The sales price of the socks was 45 cents a pair, or three pairs for \$1.25; but the clerk collected \$1.35 for the three pairs of socks. The customer immediately asked for repayment or refund of the overcharge, and it was immediately granted. The customer got back the 10 cents on the spot, and then took up the matter with the O. P. A. and subsequently sued the store, and collected \$50 and the cost of counsel fees. That amounts to not only the repayment of the 10 cents, but to 750 times the overcharge.

I know of another case which amounts to 6 cents and another one which amounts to 4 cents in the way of overcharges. In all those cases the merchants were fined \$50 and the cost of counsel fees.

Such fines are simply driving the merchants crazy. Some one said that the merchant at the cross-roads does not understand the regulations. Mr. President, neither the Members of the Senate nor anyone else understands them. Yet there are some who want merchants to suffer in cases of the sort I have mentioned. Because of the war all the merchants now have inexperienced help.

Let me ask a question. Why should not the merchant be able to state the circumstances as a matter of defense? In the Kaufman-Straus case the judge told the merchant, "I am sorry; I should like to hear you, and no doubt there are extenuating circumstances. But I have to fine you. You overcharged 10 cents. Although you paid it back immediately, I must fine you \$50, and allow for the payment of the counsel fees."

I want the regulations or the law changed so that, if the facts warrant it, the merchant will be able to say, "This is an honest mistake. I paid back the 10 cents to the man, and I wish to state the circumstances, which I am sure are extenuating, so that you will let me off."

But under present conditions the judge must say, "I cannot hear you. You must pay \$50 and the counsel fees." The American people have no patience with such a situation as that.

Mr. RADCLIFFE. Mr. President, I am fully sympathetic with such a situation; but in wartimes we cannot always legislate as fully as we would like to do in all cases so as to meet individual problems.

Mr. CHANDLER. Why take away the man's defense? We should let him have an opportunity to prove his defense if he is able to do so.

Mr. RADCLIFFE. But does not the Senator realize that if that is done we open theoretically the door to nearly every transaction? Why should the seller make an effort to learn what the law is if such knowledge opens him up to new hazards or dangers?

Mr. CHANDLER. But does not a person have a right to set up a defense in a criminal proceeding?

Mr. RADCLIFFE. But everyone is under some obligation to know the law or to make reasonable effort to learn it.

Mr. CHANDLER. But certainly I would have a right to set up a defense.

Mr. RADCLIFFE. If that be the case, why should any seller make any effort to find out what the law is, except from a spirit of patriotism, and a desire which happily is widespread in this country, to live up to all wholesome regulations?

Let us take the case of a seller who wishes to take advantage of such a situation. Why should he make any effort to familiarize himself with the regulations?

But let me go further. Why should a merchant make any effort to educate his employees? In so attempting his intentions might be good, and the clerk's intentions might be good; but a mistake might be made. If a mistake were made in such cases, and if no penalty were exacted, there would be no incentive for the merchant to learn the regulations and have his employees know them.

Mr. CHANDLER. I merely wish to give the defendant the right to show, first, that he did not willfully overcharge the customer. Why not let the facts speak for themselves? Why not let me have my defense? Do not prevent me from making an honest, legitimate defense to a charge. Let me have my day in court. Do not require the judge to say, "I am sorry; I know you did not intend to violate the law; but I cannot listen to you. You cannot explain it. I am required to fine you. As the facts are, you overcharged the customer 10 cents."

Mr. RADCLIFFE. Of course, a situation can be a reduction ad absurdum in almost any case. That method is not the way to interpret any law or regulation. Its probable operations must be looked at as a whole.

Let us consider the case the Senator mentioned. If the Senator's idea were carried out, what would be the inducement to the seller to attempt to familiarize himself or to educate his employees regarding the O. P. A. regulations? Why would not the merchant remain in blissful ignorance, and simply take his chances if he as sometimes would be the situation were merely desirous of playing safe?

Mr. CHANDLER. Under my amendment he would have no defense unless he were able to prove that, under the act, he had taken all reasonable precautions. He would have to prove that. I would not put that burden on the Government. The merchant would have to prove that he had taken all reasonable precautions.

If we consider the three cases I have in mind, we find that they involve an aggregate overcharge of 20 cents, namely, 10 cents in one case, 4 cents in another case, and 6 cents in the third case. But under the regulations, the customers were allowed to collect a total of \$150 in those three cases. That is not right, and I shall not defend it.

Mr. RADCLIFFE. Has the Senator in mind what he means by "reasonable precautions"? Every seller knows we have the O. P. A. law, and he knows it is his duty to find out what the law and its

regulations are, and to instruct his employees accordingly. That obligation rests upon him, does it not?

Mr. CHANDLER. The O. P. A. lays down all the regulations. I would have the seller have the burden of understanding all the regulations and of taking all reasonable precautions to observe them, except I would not require him to stand behind every clerk in the house and, on occasion, say, "Oh, oh, that is a penny too much. Hand it back." That is not required.

Mr. RADCLIFFE. How would the Senator outline a method by which the seller would carry on any adequate course of instruction for all his employees? I would agree if we were talking about activities in normal times, but if such were the case the O. P. A. would not be in existence and there would be no conceivable justification for it. Most assuredly these times are not normal. If we are going to have an O. P. A., we must have general regulations which will meet the situation generally. Of course, there will be hardships. It is regrettable we cannot legislate so as to protect against all of them. If it were possible in some practical way to relieve all hardship cases, without any penalty whatever provided in the law—

Mr. CHANDLER. No; I say give them the opportunity to present their defense.

Mr. RADCLIFFE. If it were possible in a practical way to relieve each and every hardship case, without any penalty whatever, that would fit in with the wishes of everyone. It would be a consummation most devoutly to be wished. But we cannot do it, I regret, as a practical matter. I hope the studies of the Senator will lead him to such a conclusion.

Mr. CHANDLER. Mr. President, I have studied this part of it, and I have not reached the same conclusion. I cannot agree that it is proper to take away from an American citizen the right of defense, if he has a good and valid defense, and not give him an opportunity to have a day in court and to assert that defense. I do not believe the judges are going to mistreat the O. P. A.

Mr. RADCLIFFE. Let me say to the Senator from Kentucky that I assume he believes the O. P. A. is a necessary instrument for us to use in the fight against inflation.

Mr. CHANDLER. I voted for it. If I had not believed so, I would not have voted for it.

Mr. RADCLIFFE. I assume the Senator believes that the O. P. A., substantially as it is, must be preserved.

Mr. CHANDLER. It must be preserved, with limitations.

Mr. RADCLIFFE. Let me say to the Senator from Kentucky that those who have studied the operations of the act very carefully have come to the conclusion—and I think it was probably the unanimous conclusion of the special committee on procedure in the Banking and Currency Committee which worked over this bill—that it would be impossible to insert any language which would shift the burden of proof, without at the same time taking steps which would ren-

der the operation of the O. P. A. practically nugatory.

Mr. CHANDLER. No; the Senator is mistaken. I am only seeking to preserve a just defense for a storekeeper, who has a right to show that he was not willful in a trivial matter, a matter involving only a few cents. I believe that, by and large, the merchants of the United States are reasonable, patriotic, and honest. I do not believe that they intend willfully to violate the law. Some of them may do so, but not all of them. I believe that they have a right to prove before the judge when they are brought into court that they did not act willfully.

One case was referred to in which the seller promptly refunded the overcharge. That is not an isolated case. If it were, I would not be pleading for a change. There are many such cases. The tendency is not to admit that there are many such cases, but it will be found that all over the United States there are many such cases.

Mr. RADCLIFFE. We cannot legislate for the benefit of a few hardship cases if in so doing we strike down the very thing we wish to maintain.

Mr. CHANDLER. I do not agree that that would be the result.

Mr. RADCLIFFE. Of course, that is a matter of opinion. To my mind—and I share this opinion with a great many others who have studied the question very carefully—unless the O. P. A., exercising the extraordinary functions which it does, functions which are instinctively repugnant to most of us, is given extraordinary power, it cannot operate. If we try to adjust the O. P. A. law, which is an extraordinary piece of legislation, to fit the ordinary conditions of peacetimes, we shall have a polyglot arrangement which will satisfy no one, and will not be operative.

Mr. CHANDLER. If my friend from Maryland will recall some of the laws which have been effective in the history of the United States, he will find that press the people was susceptible of enno law which continued to annoy and enforcement. The people finally took action to enforce their own rights. If American public opinion will not support a law, it cannot be supported in any other way. If we enact a law which is unjust to the people, they will find it out and react violently to it.

This feature of the law is an injustice to many people. It has already been proved to be bad. It is a bad thing at any time not to give an American citizen the opportunity to assert a defense. We have taken away his defense. I will not be a party to such action.

Mr. RADCLIFFE. Mr. President, I agree with part of what the Senator from Kentucky says. That is the reason why the committee has gone so far in eliminating the greater number of what might be called arbitrary provisions. By reducing the penalty from three to one and a half times the overcharge, in the discretion of the court, we have got rid of what I think is the greatest objection to the present law. Also, by eliminating the penalty of \$50 for each item, I think we have eliminated most of the difficulty.

If there were some practical way to go further and get rid of all of it, I would be in favor of it.

Mr. CHANDLER. I appreciate the generosity of my friend from Maryland in yielding to me. I ask that my amendment be passed over until the Senator from Massachusetts [Mr. WEEKS] returns. After I had submitted this amendment, he submitted an almost identical amendment. I believe that the amendment ought to be adopted, and at the proper time I shall ask the Senate to adopt it.

Mr. BARKLEY. Mr. President, will the Senator yield to me in order that I may ask my colleague a question?

Mr. RADCLIFFE. I yield.

Mr. BARKLEY. I can understand the exasperation caused by a 4-cent overcharge or a 10-cent overcharge on socks, or something like that. But what would be the result of the Senator's amendment in a case in which a farmer was overcharged \$25 on a mower or wheat drill, or overcharged \$100, or perhaps even more, on a wheat thresher or some other expensive commodity? What would be the effect of the Senator's amendment in such a case?

Mr. CHANDLER. The case would go to court, and the allegation of an overcharge would be made. A violation of the O. P. A. regulations would be alleged. The defendant in the case would prove, if he were able, that the overcharge was not willful, that he did not willfully violate the regulation. He would also prove, if he could, that he used every reasonable precaution to try to observe the regulations of the O. P. A. If he could not prove it, he would lose, as he ought to lose. It is not my intention to protect anyone who willfully violates the law, or does not take reasonable and practical precautions to observe the regulations.

Mr. BARKLEY. I am familiar with the Kaufman-Straus store in the city of Louisville. It is one of the outstanding department stores in the State of Kentucky. I know its president and its general manager to be reputable and honest businessmen.

Mr. CHANDLER. They are very reliable merchants.

Mr. BARKLEY. There is no question about that. What bothers me about the amendment is its possible effect in cases not involving that type of person, or transactions of the kind usually conducted in a department store, which may involve overcharges of 5 or 10 cents. I am thinking of cases in which there may be overcharges of \$100 or \$1,000.

The testimony before the committee showed that many million articles are subject to price control. None of us wishes to make it difficult to enforce price ceilings. None of us wishes to make it easy for a designing person to slip through a loophole by proving that he was not aware of the alleged violation, or that his clerk did not know of the regulation. There is always an inducement on the part of one who is trying to get around the law to take chances that no one will sue him, in the first place, or that if he is sued, he can escape in some other way. So we are almost com-

pelled to make the law "bull-strong and pig-tight," as we country people say.

Mr. CHANDLER. I do not underestimate the difficulties of enacting a law which will be workable; but I wish my colleague to understand that I desire to give those charged with violations of the law or regulations an opportunity to defend themselves, which opportunity they do not presently have, in my opinion. I do not believe that we ought to vote for a law which would take away their defense. If I am charged with violating the law, I should have the right to prove that the violation was not willful. In one case to which reference has been made, the judge said, "I know that these people did not willfully violate the law. I know that this was a mistake. The money has been refunded; but there is nothing I can do. I must assess the penalty, the damages, and the lawyers' fees." I am trying to get away from that. The judge who hears the case, and knows the facts and circumstances, should have some discretion. If the Government has a right to prosecute me, I ought to have a right to defend myself and offer whatever I can reasonably offer in defense of my position.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a moment?

Mr. CHANDLER. The Senator has the floor. He was generous enough to yield to me.

Mr. RADCLIFFE. I was so much in sympathy with the philosophy underlying the Senator's remarks that as a member of the committee I offered an amendment providing for a reduction in the triple damages, on the theory that there should be some leeway and some discretion. In the beginning I hoped that we could reduce the penalty to a small amount—perhaps the amount of the overcharge—but it seemed that to do so would involve so many disadvantages, difficulties, and obstacles that there must be some leeway. There had to be some definite, fixed penalty.

Consider the example to which the senior Senator from Kentucky [Mr. BARKLEY] referred a little while ago. Suppose a seller charges \$100 more than he should for a wheat binder. I do not understand for a moment that the junior Senator from Kentucky takes the position that he should be permitted to keep the \$100 under any circumstances.

Mr. CHANDLER. No, indeed.

Mr. RADCLIFFE. The \$100 overcharge should be returned. I also understand that the junior Senator from Kentucky feels that if the seller should deliberately overcharge the buyer, it would be proper for him to pay a penalty of three times the amount of the overcharge. Does the Senator agree with that theory?

Mr. CHANDLER. I agree.

Mr. RADCLIFFE. Suppose, however, that he does not do it willfully, or that there are certain extenuating circumstances. In such a case, looking at the matter from the standpoint of innate fairness, probably a penalty in the amount of the overcharge would be all that would be necessary. If we could stop there, that would be the place to

stop. However, we must consider the operations of the O. P. A. law as a whole, and we must realize that in many instances questions of proof will be very difficult. We must bear in mind that it is absolutely essential, in our fight against inflation, that we keep the O. P. A. going. It seems to me that some small penalty is justified. At first I hoped that there would be none at all. I agreed entirely with what the Senator from Kentucky said. In the case which has been cited, if a man sells a wheat binder for \$100 more than he should charge, of course, as I stated, the \$100 should be returned. If he should do so willfully, a penalty of \$300 would be perfectly proper. We have provided in the bill that the amount of the penalty or judgment may be reduced to a single penalty of \$50.

In other words, he would pay \$50 in order that the O. P. A. Act might be carried on and administered successfully, on the theory that it is necessary that there shall be some penalty even so far as innocent persons are concerned. I do not like such imposition, nor does the Senator from Kentucky like it, but as he studies the operations of the O. P. A. Act, as I know he is doing, I think he will become convinced that the act would bog down and cease to be adequately operative if there were not at least some small penalty imposed in each and every instance of violation, much as I regret to reach such a conclusion.

Mr. CHANDLER. In the case I cited the penalty amounted to 750 times the amount involved, and the refund was promptly made. If it had not been for the law, and the person had not known that even if the 10-cent overcharge were refunded he could go to court and collect \$50 from the store, I do not think an injustice would have been done.

Mr. RADCLIFFE. Let us consider for a moment how the case would have been handled. I agree that what the Senator has said makes out a very strong argument.

Mr. CHANDLER. The statement which I have made is a correct statement of what happened.

Mr. RADCLIFFE. Let us assume that no amount of penalty had been fixed at all. I do not know why the amount of \$50 was selected 2 years ago, but in some respects the arbitrary figure has worked well.

Mr. CHANDLER. It has worked well for the person collecting the money.

Mr. RADCLIFFE. Let us suppose that no amount whatever were provided as a penalty. We know there are a few unscrupulous sellers. Such a seller would think in effect, "Oh, well, if one of my employees sells for 10 or 15 cents more than he should, and is caught, I will refund it." In that instance all the seller would have to do would be to refund the 8 cents or 10 cents, whatever the actual amount of overcharge happened to be. Think of the possibilities which would be opened up. There are unfortunately some unscrupulous and also very careless sellers. The situation would involve not only such little items, but much of the whole field of administration of the O. P. A.

Mr. CHANDLER. My amendment would not open the situation at all. My amendment would require the defendant to prove that he did not commit a willful act. Do I not have the right to prove that I did not commit a willful act against my Government? I do not know where such a right is taken away from any citizen.

Mr. RADCLIFFE. We are doing many things in wartime which we are justified in doing only because of necessities of the war.

Mr. CHANDLER. I know that, but today we make many excuses in the name of the war, and do many things that we should not do. We often go too far. War is an excuse for doing many things. It is an excuse, but it is not a good reason.

Mr. RADCLIFFE. The Senator from Kentucky has said that he believes in the O. P. A.

Mr. CHANDLER. Yes; I voted for it.

Mr. RADCLIFFE. He has also said that he believes the O. P. A. should operate substantially as it has operated, but at the same time he takes the position that we should remove all penalties unless it can be proved that the violation was committed improperly and willfully.

Mr. CHANDLER. I would ask the Senators to listen to the language of my amendment. It reads as follows:

It shall be an adequate defense to any suit or action brought under subsections (a), (e), or (f) (2) of this section if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.

I place two burdens upon the defendant both of which he must bear; first, that he did not willfully commit the act. That is a matter of proof. If he cannot prove that he did not willfully commit the act, he is stuck, and I will not make a plea for him. Unless he is able to prove that he took all practical precautions by reading the regulations to his employees, and by trying to acquaint them with the regulations, he has not exhausted his responsibilities and good intent. It seems to me that if we do not agree with that contention, we are not being fair with the American people. There are more than 500,000 merchants in the country, and I do not believe one of them will disagree with what I am asking for in their behalf. Whether or not a merchant has been sued and has paid damages, he is in constant fear that through no fault of his some customer will collect money for a trifling violation.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. GEORGE. I invite the Senator's attention to the fact that the criminal provisions of the act universally retain what has always been considered as proper and necessary. I refer to the requirement that there must be a willful violation of the act.

I may also suggest that a penalty of \$50 on a 1-cent or a 10-cent charge is in essence a criminal penalty. I understand the Senator to be insisting that the defendant shall be able to show there was no intention on his part to violate the act, and that he had not been guilty

of any negligence in informing himself concerning what he should have done.

Mr. CHANDLER. The Senator is exactly correct. That is the position taken by the amendment.

Mr. GEORGE. I think the Senator's position is entirely reasonable. The amendment offered by the Senator from Illinois [Mr. Lucas] is somewhat stronger, and perhaps would put the Administrator under a very great disadvantage. In the original act itself we provided expressly that any person who willfully violates this section shall be punished by a fine of \$5,000, imprisonment, and so forth, and yet when we are considering a criminal penalty of \$50 for a 10- or 15-cent overcharge it is contended by some that the defendant should not be allowed the right to say that there had been no intention on his part to violate the act. There is always a difference between ignorance of the law and an intentional violation of an act. It seems to me that the Senator's amendment is proper.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. TAFT. First, I wish to testify to the fact that the Senator from Maryland was most anxious to have the present stringent provisions in the present law modified, and that he did everything that he could do in the subcommittee, and in the arguments with officials of the Office of Price Administration, to secure as great a modification as he thought was consistent with the effective administration of the act.

The difficulty in connection with overcharges is this: A man who has been overcharged 1 cent cannot do anything about it. He cannot institute a suit for 1 cent. The reason the amount of \$50 has been provided is so that it will be worth a person's while to bring suit and assist the Government in enforcing the provision. The penalty is not a criminal one. It is merely to insure a man of at least getting back the overcharge, and the imposition of some penalty for the violation.

If the proposal to amend by inserting the word "knowingly" is agreed to, and the overcharge turns out to be a mistake, there would be no way of which I know to compel the man who overcharged to pay it back.

The proposed amendment of the Senator from Illinois perhaps goes further. Under his amendment the act must not only have been violated willfully but knowingly. I suppose such language would mean that the violator must have known all about it.

I do not believe the provision is particularly unfair except that possibly the amount of \$50 is too much. We modified the original provision for three times the overcharge and made it one and one-half times so that there would be a penalty amounting to 50 percent of the overcharge. The penalty was to be imposed because the violator had not done right. It is very difficult to prove a man's willful violation, and if there is no incentive to comply with the law he may not bother to comply with it. I think it will be very difficult to make any use whatever of this damage section if the word "willful"

is made a part of it. I believe that the amount of \$50 might be modified. As I see it now, there is no great objection to one and one-half times the overcharge as being a compulsory fine. That means he has to pay back the overcharge and 50 percent more as a penalty for having violated the price administration law.

I suggest that if there is to be a modification, it ought to be not in the term "willfully," but in the figure \$50, so that the minimum would be perhaps \$20, or some discretion would be allowed between \$20 and \$50, or something of that kind. If the word "willfully" is put in, I think we might as well strike out the section. I do not think anybody would ever bring suit under the section because the difficulty of making a case certainly is not worth the \$25 attorney fee. I think if "willfully" is put in it will kill the section, and it will be useless to have the section remain in the bill at all.

Mr. RADCLIFFE. Mr. President, I want to thank the distinguished Senator from Ohio for his statement. I tried very hard to get away from the necessity for any penalty except in conscious wrongdoing. I desired to believe as does the Senator from Kentucky when he suggests that nothing at all is necessary other than actual damages. But I became convinced against my instinctive wishes that there ought to be some penalty for each violation of the law if the matter reached the courts, and was not disposed of by agreement. So far as the sum of \$50 is concerned, as I said, that figure is purely an arbitrary one. Perhaps it is too large; perhaps some smaller amount should be fixed; but there ought to be some definite sum provided in the law. It, of course, could not be fixed in practice at 17 cents or 25 cents, or whatever the actual overcharge might be, but if there is a violation of the law the man who violates it, no matter what amount may be involved, it seems to me should be subject to some small penalty provided the case goes to court.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I am glad to yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. It occurs to me that whether the amount be \$50 or \$10, or any other sum, is entirely beside the point. In the case mentioned, there is involved a responsible and very large company that I presume is extremely jealous of its reputation. It is brought into court. It did not do anything wrong but made an honest mistake, perhaps because of the inefficiency of a clerk. Yet, it is brought into court and labeled as a criminal. Fifty dollars does not mean anything to such a firm, but it may be damaged to the extent of \$50,000.

Mr. CHANDLER. And it paid back the money promptly.

Mr. JOHNSON of Colorado. Yes; but it is labeled as a criminal. To my mind, the question of \$50 is not so important, but it is important that justice be done. It seems to me that the Senator's amendment is reasonable. I do consider the amendment offered by the Senator from Illinois, which is now before the Senate,

is reasonable, but the amendment of the Senator from Kentucky does seem to me to be reasonable. I do not think we want to place emphasis upon \$50 or \$40 or \$10, but upon the reputation of a firm that is brought into court and labeled as a wrongdoer in a time of war.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Illinois [Mr. Lucas] as modified.

Mr. RADCLIFFE. Mr. President, I would be perfectly willing if it is agreeable to the learned Senator from New York, the chairman of the committee, that the amount should be \$25, instead of \$50, but I think there should be some reasonable figure agreed upon and inserted in the law.

Mr. WAGNER. Mr. President, so far as I am concerned, the amendment proposed by the Senator from Illinois, as the Senator from Maryland [Mr. RADCLIFFE], the Senator from Ohio [Mr. TAFT], and the Senator from Connecticut [Mr. DANAHY] have said, would be destructive of the whole section. If we put the amendment into the section, we might as well abandon the section altogether, because it is inconceivable that any Government agency is able to prove that a particular individual violated the act willfully and knowingly. So I hope the Senator will reconsider the amendment and perhaps withdraw it, for I know he is interested in the successful continuation of the whole price-control program. The committee discussed it when it had this provision under consideration, and was convinced of the destructive features of such an amendment as the Senator proposes, inserting the word "willfully." We certainly would never have agreed to it in committee, and I have sufficient confidence in the Senate to say that I do not believe the Senate will agree to it. Because of his interest in the subject and his desire to be cooperative, I hope the Senator from Illinois will withdraw his amendment as being a little too strong under all the circumstances.

Mr. LUCAS. Mr. President, I cannot agree with the conclusions of the able Senator from New York and other Senators who have expressed their views that adding the words "knowingly and willfully" would destroy the enforcement of the Price Control Act. Every individual who knows anything about the average merchant of this country is convinced that 95 percent of the merchants are honest, sincere, and patriotic citizens and are attempting to comply in every way with the prosecution of the war effort. There may be 5 percent, perhaps, who are willing to cheat and chisel in connection with the interpretation of the rules and regulations of the O. P. A. I have no time for that unlawful group; but it seems to me that the individuals attempting through legal advice and counsel and through constant study of regulations which are constantly flowing from the O. P. A. office in Washington as well as the regional offices throughout the country ought to be protected to the limit.

I do not entertain such violent views about the destruction of the O. P. A. as

some other Members of the Senate have expressed with respect to the insertion of these words. Of course, if I should withdraw the amendment and the amendment of the Senator from Kentucky should be adopted, it would simply mean that the rule of the burden of proof would be shifted with respect to the proof of what is willfully and what is knowingly done in violation of the act. The burden of proof is always on the individual who alleges it, but under the Chandler amendment we would place the burden of proof upon the buyer to show that the violation is not willful or was not done in a knowing manner.

It is my understanding also that the amendment offered by the junior Senator from Kentucky in nowise provides that if the buyer or Administrator brings a suit and the seller's defense is that he did not willfully or knowingly violate any order or any provision of the O. P. A. Act he is then relieved of any damages whatsoever and he also has a right to any overcharge. Am I correct in that?

Mr. CHANDLER. That is correct.

Mr. LUCAS. I thank the Senator. I may suggest to him that I believe if I should abandon my amendment, there ought to be a provision in his amendment whereby the overcharge should be returned either to the buyer or to the Administrator.

Mr. CHANDLER. I have no objection to that, because in the cases I mentioned the overcharge was paid back promptly. Those who have made the overcharges want to pay them back.

Mr. LUCAS. Mr. President, I think that under the circumstances, and in view of the fact that I am a strong advocate of this type of legislation as an anti-inflationary measure, I shall withdraw the amendment, but this debate should forcibly draw the attention of those administering this act to the necessity of the utmost fair dealing with merchants who are making every effort to comply with the law. These men and women should not be unduly harassed or disturbed when such violations occur. I am convinced that in the main the great majority of enforcement officers are trying to do what is right. There are always a few who make trouble for all. They should be eliminated when discovered, whether they are found in the field or in the office in Washington, D. C.

Mr. CHANDLER. Mr. President, I have consulted with the Senator from New York [Mr. WAGNER] and with the Senator from Maryland [Mr. RADCLIFFE]. I offered the amendment originally to section 109. After I offered the amendment, the Senator from Massachusetts [Mr. WEEKS] offered an amendment almost identical with mine. He is not present and cannot be present today, and I have asked that the vote on the amendment go over until his return tomorrow, because I should like to afford him an opportunity to share the sponsorship of the amendment, since his amendment is almost identical with the one I have offered. I do not want the committee amendment adopted, because my amendment seeks to amend it.

Mr. RADCLIFFE. Under the circumstances, it is agreeable that the amendment go over until tomorrow.

Mr. CHANDLER. Very well.

Mr. GEORGE. Mr. President, I wish to offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, after the period at the end of line 30 of the bill as reported, it is proposed to add the following:

Notwithstanding any provision of this act, the Emergency Price Control Act of 1942, or the amendment thereto of act, October 2, 1942 (Public Law 729, 77th Cong.), all suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent."

Mr. GEORGE. Mr. President, I have offered the amendment to follow the period in line 20 on page 10. I should like to modify the amendment by offering it to follow the period at the end of the sentence in line 11 on the same page. I think it is more appropriate at that point.

I wish to make a brief statement about the amendment. I think the amendment unquestionably should be in the bill, because under the Price Control Act, and under the proposed amendment to the Price Control Act, suits may be brought by the purchaser, may be brought by anyone who buys an article except in the course of trade, and so forth, as well as by the Administrator. In other words, if one buys an article from someone in New York he may sue the merchant of whom he bought it in his own jurisdiction, which is violative of every single concept of American law and American equity, taking the defendant out of his own bailiwick, so to speak, and subjecting him to a suit, when he may be compelled to travel clear across the continent to defend it.

This is not a fictitious anticipation of wrong. Actually, the Administrator himself filed a suit in Boston, Mass., against the ordinary dealers in uncured hides in my State, joined several of them in a suit, and compelled them, of course, to compromise. That was the result, because they could not go all the way to Boston, Mass., to defend an action, although all they did was to ship the hides on an open bill of lading in response to prices quoted by the Boston merchants. These men had no agency in Boston, they had no place of business in Boston, they carried on no business in Boston, but in response to an inquiry about prices on hides they simply shipped on an open bill of lading and received their money, whereupon they were sued, and several were joined in the suit.

I do not know that that abuse will appear again. It is an abuse, pure and simple. No one can justify such procedure. We have been told on the floor of the Senate today repeatedly about adding some additional burdens to the poor Administrator of the Price Control Act. I am not concerned about that, but we should be willing to do simple justice to the poor citizen and not drag him all over the country, and have him sued in foreign jurisdictions.

Suit can be brought by the purchaser of merchandise or goods or articles, so that the man who buys one's product

can sue him in his own jurisdiction, and compel him to go into the buyer's jurisdiction to defend the action, if the buyer alleges that the seller overcharged him. If he does not bring the suit, or if he is prohibited or disqualified from bringing the suit, the Administrator himself may sue.

I have very great confidence in the intention of the present Administrator to do justice between citizens in the orderly administration of the act. It is no hardship upon the Administrator to compel him to bring a suit in the proper forum where the suit should be brought, and it is no sort of an answer to say, as I was told in these outrageous proceedings—for that is what they were—that the only person who really knew how to grade hides was in Boston, and that the only facilities for knowing whether hides had been upgraded, that is, that one sold a hide as a No. 1 when in fact it was a No. 2 or No. 3, were in Boston, and it was fairer and more just to the Administrator and the Government to bring to the Boston concern everyone in the country who had been selling hides simply because of the convenience of the Administrator.

We should be courageous enough simply to say that we will do a little justice to the American citizen, and that we will not send him all over the country to answer suits because it is more convenient for the Administrator to bring them somewhere else.

Mr. President, I thought the bill was intended to cure that situation, but I have made inquiry of the distinguished Senator in charge of the bill and I am advised that the language I thought should cure what I have cited was not intended to affect the question of the venue of a civil action at all. I refer to this language in the bill:

Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction.

I thought the word "competent" there would mean a court having jurisdiction both of the person and of the cause of action. That would be the interpretation I would put on the language, but that is not the interpretation the Administrator has placed upon identically the same language in the present law, because of the incorporation of some other term in the existing law.

I have offered an amendment which merely means and says that notwithstanding any provision of the Price Control Act—

All suits for civil damages—

Not suits for injunction, not suits to stop violations of the act, not criminal prosecutions, because they stand on a different basis so far as venue is concerned, but—

All suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent.

By "substantial relief" is meant anything more than mere nominal damages. That is the recognized interpretation of that phraseology.

Mr. WAGNER. Mr. President—
The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Georgia yield to the Senator from New York?

Mr. GEORGE. I yield.

Mr. WAGNER. As I stated to the Senator from Georgia some time ago, I see no objection to the Senator's proposal, and so far as I am concerned I accept the amendment.

Mr. GEORGE. I hope the Senate will accept the amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia to the committee amendment on page 10, line 11.

The amendment to the amendment was agreed to.

The committee amendment, as amended, was agreed to.

Mr. BANKHEAD. Mr. President, I am having two or three amendments to the textile-cotton section of the bill prepared. I ask unanimous consent that they may be printed if before midnight they are filed with the Secretary of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WAGNER. Mr. President, I ask the Senator from Alabama whether his amendments provide a change from the present so-called Bankhead amendment?

Mr. BANKHEAD. The amendments are in addition to it. I will be glad to give copies of the amendments to the Senator.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment to the pending measure, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. WAGNER. Mr. President, I have received a letter from the National Congress of Parents and Teachers, signed by Mrs. Catherine F. McClellan, chairman of legislation. The letter deals with the so-called Bankhead amendment, and I ask that it may be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CONGRESS OF
PARENTS AND TEACHERS,
Chicago, Ill., May 22, 1944.

HON. ROBERT F. WAGNER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WAGNER: This will invite your attention to the following action by the board of managers of the National Congress of Parents and Teachers taken at the forty-eighth annual convention held in New York City this week, with regard to the extension of the National Emergency Price Control Act: "Inasmuch as inflation is a threat to youth and the security of home and family life, we reaffirm our support in all practicable ways of the efforts that are being made to combat inflationary trends and recommend that the National Emergency Price Control Act be continued without weakening amendments for the duration of the war."

The board of managers of the National Congress of Parents and Teachers consists of the elected national officers, national chairmen, and 48 State presidents, repre-

senting a paid membership of more than 3,000,000. We trust that the position of this vast number of representative consumers may be of assistance to you in obtaining greater consideration for the point of view of the consumer than otherwise might be possible.

Very sincerely yours,

CATHERINE F. MCCLELLAN,
Chairman of Legislation.

EXTENSION OF TIME LIMIT FOR IMMUNITY IN THE CASE OF CERTAIN OFFICERS

Mr. BARKLEY. Mr. President, yesterday the Senate passed and sent to the House Senate Joint Resolution 133 extending the statute of limitations for one year in regard to Admiral Kimmel and General Short. The House this afternoon passed the Senate joint resolution with an amendment cutting down the time to 3 months. It is desired that the joint resolution go to conference when it reaches the Senate. The time in question expires tomorrow, so that action is necessary in order that the statute will not lapse. Therefore I ask unanimous consent that during the recess of the Senate the Secretary of the Senate be authorized to receive from the House a message in regard to Senate Joint Resolution 133, that the Senate disagree to the House amendment, ask for a conference thereon, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair appoints the Senator from New Mexico [Mr. HATCH], the Senator from Kentucky [Mr. CHANDLER], and the Senator from Michigan [Mr. FERGUSON] conferees on the part of the Senate.

ESTABLISHMENT OF OFFICE OF WAR MOBILIZATION AND ADJUSTMENT—NAMES OF ADDITIONAL SPONSORS

Mr. KILGORE. Mr. President, on May 4, 1944, I introduced Senate bill 1893, to provide for the establishment of an Office of War Mobilization and Adjustment, and for other purposes. The bill has been referred to the Committee on Military Affairs. The following Senators have joined me as cosponsors: the Senator from Utah [Mr. THOMAS], the Senator from Colorado [Mr. JOHNSON], the Senator from California [Mr. DOWNEY], the Senator from Missouri [Mr. TRUMAN], the Senator from Washington [Mr. WALLGREN], the Senator from Florida [Mr. PEPPER], the Senator from Wisconsin [Mr. LAFOLLETTE], and the Senator from New York [Mr. WAGNER].

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McCLELLAN in the chair) laid before the Senate messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CHANDLER, from the Committee on Military Affairs:

Sundry officers for promotion in the Regular Army, under the provisions of law.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

THE ARMY

Mr. CHANDLER. Mr. President, earlier today I reported favorably from the Committee on Military Affairs certain nominations in the Regular Army which are routine Army nominations. I have conferred with the majority leader and the minority leader, and they have no objection to the present consideration of the nominations, and they also favor the request which I now make that the nominations be not printed in the RECORD, thus saving considerable expense.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHANDLER. Mr. President, I ask for the immediate consideration of the nominations.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and without objection, the nominations are confirmed en bloc.

Mr. CHANDLER. I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

The PRESIDING OFFICER. The clerk will state the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Ambrose O'Connell, of New York, to be associate judge, United States Court of Customs and Patent Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. BARKLEY. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 7, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 6 (legislative day of May 9), 1944:

COLLECTOR OF CUSTOMS

A. Miles Pratt, of New Orleans, La., to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La. (Reappointment.)

IN THE NAVY

Capt. Harold Dodd, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as Chief, United States Naval Mission to Brazil.

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Esther D. Willson, Bippine, Calif., in place of H. A. Hall, retired.

Stephen E. Graham, Oakland, Calif., in place of N. G. Donohoe, deceased.

COLORADO

James D. Wilson, Monte Vista, Colo., in place of George Cole, resigned.

Thomas H. Wand, Paonia, Colo., in place of M. E. Hurty. Incumbent's commission expired May 22, 1942.

CONNECTICUT

Frank B. Leslie, New Canaan, Conn., in place of J. T. Kelley, resigned.

FLORIDA

Joel S. Field, Sanford, Fla., in place of R. J. Holly, deceased.

IOWA

Evelyn L. Earing, Lonerock, Iowa. Office became Presidential July 1, 1943.

KANSAS

Clarence G. Nevins, Dodge City, Kans., in place of H. F. Schmidt, removed.

J. S. Shilling, Junction City, Kans., in place of H. A. Rohrer, resigned.

Helen Six, Lyons, Kans., in place of H. E. Six, deceased.

MICHIGAN

Bertha A. Jurmu, Bruce Crossing, Mich., in place of Irene Couture, resigned.

Ruth A. Huntley, Stanwood, Mich. Office became Presidential July 1, 1943.

Gary D. Howell, Willis, Mich. Office became Presidential July 1, 1943.

NEBRASKA

Harry E. Callender, Stapleton, Nebr., in place of J. B. Karn, removed.

Otto Dau, Yutan, Nebr. Office became Presidential July 1, 1943.

NEW YORK

Harold W. Becker, Catskill, N. Y., in place of B. G. Dewell, deceased.

Ernest Rose, Central Valley, N. Y., in place of O. D. Ayres, resigned.

Christena L. Sands, Hamden, N. Y., in place of H. G. Howland, deceased.

Graham Chapman, North Cohocton, N. Y., in place of J. H. Moore. Incumbent's commission expired June 23, 1942.

George P. Murphy, Roslyn Heights, N. Y., in place of C. L. O'Leary, retired.

Frank C. Beams, Schenectady, N. Y., in place of L. B. Bennett, retired.

Stephen H. Keating, Waterford, N. Y., in place of T. F. Gaynor. Incumbent's commission expired January 31, 1939.

OKLAHOMA

Verdia Comer, Big Cabin, Okla. Office became Presidential July 1, 1943.

PENNSYLVANIA

John O. Whiteman, Claridge, Pa. Office became Presidential July 1, 1943.

William D. Thompson, Crucible, Pa. Office became Presidential July 1, 1943.

Edward F. Kapteina, Springdale, Pa., in place of C. W. Remaley, Jr., resigned.

Charles D. Witman, Thomasville, Pa. Office became Presidential July 1, 1943.

RHODE ISLAND

Ralph Scotland, Jr., Oakland, R. I. Office became Presidential July 1, 1943.

TENNESSEE

Hazel T. Brickell, Friendsville, Tenn. Office became Presidential July 1, 1943.

Gordon L. Cox, Louisville, Tenn. Office became Presidential July 1, 1943.

TEXAS

Laura Harrison North, Riviera, Tex. Office became Presidential July 1, 1943.

Robert L. Smith, Roaring Springs, Tex., in place of J. L. Murphy, resigned.

Levi E. Baker, Shallowater, Tex. Office became Presidential July 1, 1943.

Clyde V. Welch, Somerville, Tex., in place of Clarence Carter, transferred.

VERMONT

Archie H. Bailey, Chelsea, Vt., in place of W. H. Beckwith, retired.

VIRGINIA

Adrian Garrett Carter, Edinburg, Va., in place of A. G. Carter. Incumbent's commission expired August 27, 1939.

WASHINGTON

Allison C. Presson, Buena, Wash. Office became Presidential July 1, 1943.

WISCONSIN

Howard L. Van Ness, Lodi, Wis., in place of W. E. Smith, removed.

WYOMING

Fred B. Borne, Hulett, Wyo. Office became Presidential July 1, 1943.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 6 (legislative day of May 9), 1944:

THE JUDICIARY

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Ambrose O'Connell, to be associate judge of the United States Court of Customs and Patent Appeals.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS

Howard J. Woodbridge, to be temporary dental surgeon, effective April 1, 1944.

Sidney Frederick to be temporary passed assistant dental surgeon, effective April 1, 1944.

Charles F. Blankenship to be temporary senior surgeon, effective May 1, 1944.

John W. Cronin to be temporary senior surgeon, effective May 1, 1944.

Ralph Erhart Wenzel to be temporary surgeon, effective May 1, 1944.

Alfred H. Lawton to be temporary passed assistant surgeon, effective May 1, 1944.

Walter B. Quisenberry to be temporary passed assistant surgeon, effective May 1, 1944.

Albert Henry Stevenson to be temporary passed assistant sanitary engineer, effective May 1, 1944.

Frank Tetzlaff to be temporary passed assistant sanitary engineer, effective May 1, 1944.

August T. Rossano, Jr., to be passed assistant sanitary engineer, effective June 2, 1944.

IN THE ARMY

PROMOTIONS IN THE REGULAR ARMY

The nominations of Morris Haslett Marcus et al., for promotion in the Regular Army, which were received by the Senate on June 5, 1944.

(NOTE.—A full list of the persons whose nominations for promotion in the Regular Army were confirmed today may be found in the Senate proceedings of the CONGRESSIONAL RECORD for June 5, 1944, under the caption "Nominations," beginning with the name of Morris Haslett Marcus on p. 5398 and ending with the name of Frank Steiner on p. 5404.)

IN THE NAVY

TEMPORARY SERVICE

Charles P. Cecil to be a rear admiral in the Navy, for temporary service, to rank from February 4, 1943.

APPOINTMENTS IN THE NAVY

The nominations of Henry S. Bennett et al., for appointment in the Navy, which were received by the Senate on May 31, 1944.

(NOTE.—A full list of the names of the persons whose nominations for appointment in the Navy were confirmed today may be found in the Senate proceedings of the CONGRESSIONAL RECORD for May 31, 1944, under the caption "Nominations," beginning on p. 5226 with the name of Henry S. Bennett and ending on p. 5227 with the name of Richard G. Henninger.)

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 6 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BROOKS to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following:

- 1 SEC. 101.5. Section 2 (c) of such Act is amended by
- 2 inserting after the first sentence thereof the following: "The
- 3 Administrator shall provide for individual adjustments in
- 4 those classes of cases where the rent on the maximum rent
- 5 date for any housing accommodations is, due to peculiar
- 6 circumstances, substantially higher or lower than the rents
- 7 generally prevailing in the defense-rental area for comparable
- 8 housing accommodations, including rents in housing accom-

1 modations in which there has been since the maximum rent
 2 date a substantial increase or decrease in property taxes or
 3 operating costs, or in which the rent is less than the total
 4 costs of operation, or in multiple-unit premises the rent is
 5 lower than the maximum rent generally prevailing for com-
 6 parable housing accommodations in the same premises.”

78TH CONGRESS
 2d Session

S. 1764

AMENDMENT

Intended to be proposed by Mr. Brooks to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 6 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 6 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz:

1 On page 3, after line 24, insert the following:
2 “(1) No maximum price shall be established by a
3 district or regional office of the Office of Price Administra-
4 tion on any commodity with respect to which no maximum
5 price is in effect until the proposed order relating thereto
6 shall have been referred to and approved by the Adminis-
7 trator.”

8 On page 2, line 24, strike out “subsection” and insert
9 in lieu thereof “subsections”.

78TH CONGRESS
2d Session

S. 1764

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 6 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 8, 1944, for actions of Wednesday, June 7, 1944)

(For staff of the Department only)

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HOUSE

PRICE CONTROL. Began debate on H.R. 4941, to continue the Price Control and Stabilization Acts (pp. 5560-8, 5571-85). Agreed, 170-44, to Rep. Spence's (Ky.) amendment to the Rules Committee resolution for consideration of this bill to strike out the sentence, "It shall be in order to consider without the intervention of any point of order any amendment which may be offered to the bill embodying any of the sections or paragraphs contained in the bill H.R. 4647" (pp. 5560-8). Rep. Sabbath, Ill., in reporting the above resolution, discussed the functions of the Rules Committee and criticized the inclusion of the sentence (pp. 5560-1), and inserted a statement on price differences between World Wars I and II (pp. 5561-2). Rep. Patman, Tex., commended the War Food Administrator and the Price Control Administrator, discussed various phases of price-control administration, and inserted the present Price Control Act and amendment (pp. 5574-83). Rep. Smith, Va., criticized OPA rent-control practices (pp. 5555-60).

DEBT LIMIT. Agreed, 172-54, to the conference report on H.R. 4464, to increase the U.S. debt limit to \$260,000,000,000 (p. 5555). Rep. Shafer, Mich., discussed his point of order that a quorum was not present (June 6) and Rep. Doughton, W. C., stated that the Senate figure would alleviate need for Congressional action until May 31, 1945 (pp. 5554-5).

MILITARY ESTABLISHMENT APPROPRIATION BILL. Appropriations Committee reported without amendment this bill, H.R. 4967 (H. Rept. 1606) (pp. 5555, 5591).

FORESTRY. Rep. Peterson, Fla., discussed H.R. 2241, to abolish the Jackson Hole National Monument and to restore this area to the Teton National Forest, stated that this bill would "not rectify" the losses incurred by Teton County as a result of the withdrawing of these former privately-owned lands from the tax status, and inserted a petition and letter from Wyo. citizens on this subject (pp. 5586-7).

5. FLOOD CONTROL. Received War Department's flood-control survey reports on the Ouachita River, Ark., and La., (H. Doc. 647), the Little Colorado River (H. Doc. 648), the Sacramento River, Calif., (H. Doc. 649), and the Roanoke River, Va., and N. C., (H. Doc. 650). To Flood Control Committee (pp. 5590-1).
6. WAR POWERS. Received the Attorney General's proposed legislation to amend Public Law 507, 77th Cong., The Second War Powers Act. To Judiciary Committee. (p. 5591)
7. PROPERTY REQUISITION. Military Affairs Committee reported without amendment S. 1748, to continue in effect the Property Requisition Act (H. Rept. 1613) and S. 1749, to continue in effect the act authorizing the President to requisition certain articles and materials (H. Rept. 1614). (p. 5591).

SENATE

8. PERSONNEL. Received CSC's proposed legislation to establish a uniform policy with respect to the pay status of civilian employees suspended without pay pending investigation. To Civil Service Committee. (p. 5525.)
9. STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 4204, and acted on items in disagreement (p. 5539). Agreed to Sen. McKellar's (Tenn.) motion to insist on its amendment to provide for a census of agriculture. Sens. McCarran, McKellar, Russell, Bankhead, Connally, White, and Reed were appointed conferees for a further conference.
10. PRICE CONTROL. Continued debate on S. 1764, to amend the Emergency Price Control and Stabilization Acts (pp. 5529-50). Agreed to the committee amendment to provide statutory sanction to the right of judicial review of rationing suspension orders, as modified by an amendment by Sen. Chandler, Ky., (for himself and Sen. Weeks, Mass.) providing that merchants who have violated rationing procedures may prove that his act was not willful (pp. 5529-45).
Sen. Bankhead, Ala., and others discussed the cotton-textile amendment to this bill during which Sen. Bankhead claimed, "The cost of cotton clothing has assumed the proportions of a national scandal, without any increase in price to the farmers or to the cotton mills" (p. 5546).

BILLS INTRODUCED

11. MUSTERING-OUT PAY; VETERANS. By Rep. Randolph, W. Va., H.R. 4969, to amend the Mustering-Out Payment Act of 1944 so as to provide mustering-out payments to certain persons discharged or relieved from active service in the armed forces to accept employment. To Military Affairs Committee. (p. 5591.)
12. PUBLIC LANDS. By Sen. Cordon, Oreg., S. 1982, to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws. To Public Lands and Surveys Committee (p. 5526).
13. WILDLIFE. By Sen. Clark, Mo., (for himself and Sen. Lucas, Ill.), S. 1986, to provide for the issuance of permits for the use of live decoys in the taking of ducks. To Special Committee on Conservation of Wildlife Resources. (p. 5526.)

BILL APPROVED BY THE PRESIDENT

14. RECLAMATION. H.R. 3570, authorizing partial construction of the Hungry Horse Dam, Mont. Approved June 5, 1944 (Public Law 329, 78th Cong.).

H. R. 2903. An act for the relief of the Washington Asphalt Co.;
 H. R. 2919. An act for the relief of Michael Eatman, Jr., and Mrs. Michael Eatman, Jr.;
 H. R. 3101. An act for the relief of George E. O'Loughlin;
 H. R. 3152. An act for the relief of Mr. and Mrs. Cicero B. Hunt;
 H. R. 3280. An act for the relief of William Dyer;
 H. R. 3281. An act for the relief of the estate of Nelson Hawkins;
 H. R. 3431. An act for the relief of the Home Insurance Co. of New York;
 H. R. 3467. An act for the relief of Miss Anne Watt;
 H. R. 3481. An act for the relief of J. William Ingram;
 H. R. 3495. An act for the relief of Constantino Arguelles;
 H. R. 3539. An act for the relief of the estate of Carlos Pérez Avilés;
 H. R. 3548. An act for the relief of Mr. and Mrs. Robert W. Nelson and W. E. Nelson;
 H. R. 3549. An act for the relief of Mrs. Emily Reilly;
 H. R. 3586. An act for the relief of Mrs. John Andrew Godwin;
 H. R. 3590. An act for the relief of the city and county of San Francisco;
 H. R. 3595. An act for the relief of Robert Futterman;
 H. R. 3636. An act for the relief of Josephine Guidoni;
 H. R. 3644. An act for the relief of Louis T. Klauder;
 H. R. 3659. An act for the relief of Anne Loacker;
 H. R. 3813. An act for the relief of J. Ralph Datesman;
 H. R. 3841. An act for the relief of Dr. J. D. Whiteside and St. Luke's Hospital;
 H. R. 3898. An act for the relief of Frank Gay;
 H. R. 4024. An act for the relief of Victoria Cormier;
 H. R. 4095. An act confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams;
 H. R. 4101. An act for the relief of P. E. Brannen;
 H. R. 4107. An act for the relief of the Stiers Brothers Construction Co.;
 H. R. 4197. An act for the relief of Mr. and Mrs. John Cushman;
 H. R. 4226. An act for the relief of the legal guardian of William L. Owen, a minor;
 H. R. 4439. An act for the relief of Dennis C. O'Connell;
 H. R. 4458. An act for the relief of J. G. Power and L. D. Power;
 H. R. 4528. An act for the relief of L. M. Feller Co. and Wendell C. Graus;
 H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele; and
 H. R. 4712. An act for the relief of John Duncan McDonald.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 4095. An act confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams; to the Committee on Public Lands and Surveys.
 H. R. 262. An act for the relief of Mrs. J. C. Romberg;
 H. R. 1040. An act for the relief of Frank Henderson and Frances Neil Henderson, his wife;
 H. R. 1318. An act for the relief of Jack V. Dyer;
 H. R. 1444. An act for the relief of Mrs. Elizabeth J. Patterson, Joy Patterson, and Roberta Patterson;
 H. R. 1497. An act for the relief of the estate of J. T. Taulbee, deceased, and Mrs. Bertie Lella Parker;

H. R. 1774. An act for the relief of Cyril Doerner;
 H. R. 1886. An act for the relief of Charles Fred Smith;
 H. R. 2014. An act for the relief of the Winston-Salem Southbound Railway Co.;
 H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering;
 H. R. 2151. An act for the relief of Elizabeth Powers Long;
 H. R. 2333. An act for the relief of Mrs. Samuel M. McLaughlin;
 H. R. 2473. An act for the relief of James Wilson;
 H. R. 2511. An act for the relief of P. Audley Whaley;
 H. R. 2512. An act for the relief of Betty Robins;
 H. R. 2530. An act for the relief of John M. O'Connell;
 H. R. 2825. An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.;
 H. R. 2845. An act for the relief of John J. Beaton;
 H. R. 2873. An act for the relief of Mr. and Mrs. D. F. Still;
 H. R. 2896. An act for the relief of Mr. and Mrs. R. L. Rhodes;
 H. R. 2903. An act for the relief of the Washington Asphalt Co.;
 H. R. 2919. An act for the relief of Michael Eatman, Jr., and Mrs. Michael Eatman, Jr.;
 H. R. 3101. An act for the relief of George E. O'Loughlin;
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 H. R. 3590. An act for the relief of the city and county of San Francisco;
 H. R. 3595. An act for the relief of Robert Futterman;
 H. R. 3636. An act for the relief of Josephine Guidoni;
 H. R. 3644. An act for the relief of Louis T. Klauder;
 H. R. 3659. An act for the relief of Anne Loacker;
 H. R. 3813. An act for the relief of J. Ralph Datesman;
 H. R. 3841. An act for the relief of Dr. J. D. Whiteside and St. Luke's Hospital;
 H. R. 3898. An act for the relief of Frank Gay;
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 H. R. 4528. An act for the relief of L. M. Feller Co. and Wendell C. Graus;
 H. R. 4707. An act for the relief of J. Fletcher Lankton and John N. Ziegele; and

H. R. 4712. An act for the relief of John Duncan McDonald; to the Committee on Claims.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

The ACTING PRESIDENT pro tempore. The next committee amendment will be stated by the clerk.

The CHIEF CLERK. The next committee amendment is, on page 10, after line 20, to insert the following:

REVIEW OF RATIONING SUSPENSION ORDERS

SEC. 109. Section 205 of such act is amended by adding at the end thereof the following new subsection:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this act. Any action to enjoin or set aside such order shall be brought within 5 days after the service thereof. No suspension order shall take effect within 5 days after it is served, or, if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after service of an order denying the stay. No interlocutory relief shall be granted against the administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

Mr. CHANDLER. Mr. President, I should like to call up now an amendment I have offered, and ask that it be considered. I ask that the clerk be directed to read the amendment and the modification thereof. I wish to state to the Senate that the junior Senator from Massachusetts [Mr. WEEKS] is now present. The amendment which he has offered and the amendment which I have offered are almost identical in language. We have joined our forces, and we intend to offer them together.

The ACTING PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 10, line 23, it is proposed to strike out "subsection" and insert in lieu thereof "subsections."

On page 11, after line 17, it is proposed to insert the following:

(h) It shall be an adequate defense to any suit or action brought under subsections (b), (e), or (f) (2) of this section if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.

(i) Nothing in this section shall be construed to deprive the courts of the power to assess against the defendant the amount of the overcharge.

Mr. CHANDLER. Mr. President, during the debate yesterday I fully explained the amendment, and I do not desire to detain the Senate longer in explanation

of it. The Senator from Massachusetts may want to add a word with respect to it, and I yield the floor at this time.

Mr. WEEKS. Mr. President, it appears that the junior Senator from Kentucky [Mr. CHANDLER] and I have offered what I believe to be almost identical amendments. The amendment now pending concerns, and I think it concerns very vitally, every merchant in this country. It provides in effect that those who have violated the act may have their day in court, and that the court may have some discretion in determining whether the case shall be placed on file or whether a penalty shall be invoked.

In my judgment, the necessity for this amendment is the more apparent because of the amendment which has been proposed by the committee, which, as I interpret it, makes it even more mandatory than under the act as it now stands to levy an assessment or a penalty in case of violations. Furthermore, in the amendment offered by the committee, there appear these words:

If any person selling a commodity violates a regulation * * * and the buyer * * * fails to institute an action under this subsection within 30 days * * * the Administrator may institute such action.

In other words, the committee amendment contains a provision that if the buyer does not institute an action within 30 days, then the Administrator may do so in his stead. I believe that provision opens up the opportunity to bring thousands of actions under this section, whereas under the original act as it presently stands on the statute books, a buyer may often, and I think in 99 cases out of 100 does, register his complaint and then drops the matter without bringing the case into court. So, I say that there is a real need on behalf of the merchants of the United States to provide that the seller of any article may as an adequate defense prove that his act was neither willful nor that he had failed to take practical precautions against the occurrence of the violation.

Mr. MURDOCK. Mr. President, will the Senator yield to me for a question?

Mr. WEEKS. If the Senator will withhold his question until I finish my statement I shall be grateful.

Mr. MURDOCK. Very well.

Mr. WEEKS. In this amendment I think we are not so particularly concerned with those who have violated the act by overcharges in substantial amounts, say \$25, \$50, or \$100. I think we are particularly concerned here with cases which involve overcharges in pennies. In thousands of stores throughout the country every overcharge which conceivably might be made would be in pennies. It is interesting in this connection to find the following language in the report of the committee, on page 14:

It is the opinion of the committee that where substantial amounts are involved, the court should be permitted to take into account the circumstances under which the violations occur and to assess something less than treble damages in cases where violations occur unintentionally and despite the exercise of due diligence to prevent them.

I think the committee in its report has readily acquiesced in the point I am at-

tempting to make, but we must be equally concerned here with those overcharges involving only a few cents. When I speak of the seriousness of this proposition to merchants dealing in items involving small amounts, I have in mind that it is reported in a grocery store trade journal that an individual consumer in California went on a shopping tour and shopped more than 1,000 stores, and he found 104 violations in different stores. Those 104 violations enabled him to file charges on each violation, and the penalty which he could not fail to collect under the present law would be \$5,200, plus \$1,500 for attorneys charges, although the overcharges in the 104 cases totalled all together only \$1.92.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. WEEKS. I yield to the Senator from Ohio.

Mr. TAFT. Of course the committee has, in large measure, corrected that, so that under the same circumstances today the total penalty would be \$50. In other words, we have eliminated the cumulative feature, which we regard as a very serious fault in the law.

Mr. WEEKS. I think, Mr. President, that the Senator from Ohio perhaps did not quite understand what I said. Every one of these cases was in a different store. So he could sue Jones and Smith and Brown. One hundred and four different stores were included in the total. So in the particular case I have cited, I think the buyer could be awarded, and, in fact, the court would be obligated to award, penalties totaling \$5,200.

Mr. TAFT. Mr. President, will the Senator further yield to me?

Mr. WEEKS. I yield.

Mr. TAFT. The Senator cannot assume that the store innocently, in 50 or 100 different places, violated the law, entirely without any fault whatsoever. Frankly, the situation in respect to the \$50 penalty is that if we eliminate it, we might just as well eliminate the whole idea of permitting consumers to sue for overcharges. I do not say that idea is an essential feature of the enforcement of this law; but I do say that unless provision is made for the \$50 penalty, no consumer possibly can sue for overcharges of a few cents, and no consumer ever will. Not only that, but for each store to be fined \$50 for violating the law, even if the violation is an innocent one, does not seem to me to be any particular hardship in a case of that kind. After all, this is a law. If there is no penalty, if there is no incentive to abide by the law, we shall find that hundreds and thousands of storekeepers will take chances. I think perhaps the \$50 fine is excessive; but no one can possibly bring a suit for 2 cents, and no one ever will bring a suit for 2 cents. If we insert a provision that the violation must be willful, under those circumstances no one will bring a suit, because no individual will think he can ever successfully collect.

There may be some argument on the basis of eliminating the whole idea of enforcing this act through consumer pressure and consumer suits; but the Senator's amendment and the amendment of the Senator from Kentucky in

my opinion would entirely eliminate any consumer suits at all.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a moment, if it will not disrupt the development of his presentation?

Mr. WEEKS. I yield.

Mr. RADCLIFFE. The Senator from Massachusetts was not here yesterday when I made the suggestion that we would be willing to reduce the amount from \$50 to \$25. I shall not press this point during the Senator's time, by discussing the merits of the matter, except to say that the committee made many reductions. So at present, the report of the committee and the committee amendment really provide penalties which are very small, indeed, in comparison with those provided in the existing law.

The only other comment I wish to make now is that it seems to me that if 104 violations were found in a certain city, that would seem to indicate a rather deliberate intention on the part of a great many persons to disregard the law; otherwise, such a condition could not be accounted for.

Mr. WEEKS. Mr. President, inasmuch as I have commenced to yield, I should like to yield now to the Senator from Utah, if he cares to raise his point at this time.

Mr. MURDOCK. I thank the Senator, Mr. President; but I am perfectly willing to wait until he concludes.

Mr. WEEKS. Very well.

Mr. BARKLEY. Mr. President, will the Senator from Massachusetts yield to me for a question?

Mr. WEEKS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator, at the outset of his remarks, said he was not concerned about violations involving overcharges of \$25 or \$50, but was deeply concerned with the penny cases. The amendment makes no distinction between an overcharge of 1 cent and an overcharge of \$100. It seems to me that if an amendment of this kind is to be adopted, it certainly should not apply in cases in which there is an obvious overcharge of an amount which is substantial. I can appreciate the fact that if a man overcharges 4 cents, that is looked upon as chicken feed, so far as the violation of the law and the amount involved are concerned. But there are many cases, possibly thousands of them, in which the overcharges run into dollars—\$25, \$50, \$100, or perhaps more, depending on the article sold.

Does not the Senator from Massachusetts think, and does not my colleague from Kentucky think, some distinction should be made between cases involving substantial amounts of money and the "penny ante" cases about which we have been talking?

Mr. CHANDLER. Mr. President, will the Senator from Massachusetts yield to me for a moment?

Mr. WEEKS. I yield.

Mr. CHANDLER. I think the senior Senator from Kentucky [Mr. BARKLEY] possibly misapprehends what we are undertaking to do. In this amendment we definitely do not want to do anything

that will stop the making of the refund, regardless of how large or how small it may be. The overcharge must be paid back. But if an overcharge is made and if a suit is brought, we would give the individual concerned the opportunity to go into court and show, if he can—and we put on him the burden of making the showing—that he did not make the overcharge willfully and did not do it until all reasonable precautions had been taken in his business to avoid the mistake. Regardless of what the overcharge may be, such a man should have a right to make a defense. He is entitled to an opportunity to make his defense, if he has one. But the authorities will not relent an inch; and they have collected \$75 on the basis of a 10-cent overcharge, as I showed yesterday, 750 times the amount of the overcharge; and the overcharge was refunded, too.

All we would do by the amendment would be to permit one of our fellow citizens to go into court and defend himself by offering to the judge evidence to show his good faith and to show that he had undertaken to comply with the law. I do not understand how anyone can fail to support an attempt to provide an opportunity for a man who has a defense to make it.

Mr. WEEKS. Mr. President, I should like to answer the question raised by the senior Senator from Kentucky [Mr. BARKLEY] in this manner: He has said that apparently I have indicated that we are not concerned with overcharges ranging in substantial amounts. What I meant is that here we have an amendment which in itself changes the time-honored precedent that a man is innocent until he is proven guilty. Here we go a little astray from that principle, and we say that the seller in such case, who is the defendant, must prove his innocence, and that an adequate defense is that he was neither willful in making the overcharge nor that he had failed to take practicable precautions against the occurrence of the violation. I say that if a man sells a piece of farm machinery and overcharges by \$100, for example, that is almost *prima facie* evidence that he either willfully violated the law or failed to take the ordinary, prudent precautions which any man in business should take in order to comply with the law.

But I have in mind the case of a particular chain store which has 1,800 separate stores in its organization. In those stores the customers find for sale, for example, several different kinds of canned beans. The ruling is, in most cases, that the ceiling price shall be a percentage mark-up on the cost of the can of beans. When the cost varies between one brand and another, the percentage mark-up will result in different ceiling prices. In merchandising such products, there is the greatest possibility that a mistake will be made, especially under present conditions where there is a continual turn-over of clerks, and where a can of beans, for example, may have been on the shelf for some time, and in marking a change of ceiling prices the clerk may have failed to mark the change on that particular can. There

are infinite possibilities for error. The overcharges, however, which particularly concern me in joining with the junior Senator from Kentucky in offering the amendment are overcharges which occur in small and insignificant amounts.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WEEKS. I yield to the Senator from New York.

Mr. WAGNER. We have heard a great deal about overcharges involving rather large amounts, the amount of the overcharge indicating that it was willful. However, I am concerned with a group of low-income people to whom 5 cents means as much as \$100 means to someone else. We ought to protect them. If the proposal of the Senator is accepted and goes into the law, how is the small purchaser to prosecute a claim against the president of a large concern? The president of the concern may say, "I knew nothing about this violation. It was done without my knowledge, and therefore I am perfectly innocent in the matter." Under the terms of the amendment, that would defeat the small purchaser. The buyer ought to be permitted to bring an action if an overcharge is made by a chain store or other seller, no matter what the amount may be.

I should like to make a brief statement with reference to something which was said yesterday by the junior Senator from Kentucky [Mr. CHANDLER], who has joined the Senator from Massachusetts [Mr. WEEKS] in offering the amendment. I believe the statement was made that in peacetime such penalties were not assessed without a requirement that the violation be willful. I should like to cite a number of examples of statutes which have been enacted by Congress, in which there is no requirement that the violation be willful.

The first example, involving the recovery of damages, is the Clayton Act. Other such statutes are: The Bituminous Coal Act of 1937; the act relating to the unauthorized use of registered trademarks; the Fair Labor Standards Act, which was enacted after considerable controversy in this body some years ago; the Patent Infringement Act; and the act relating to failure to furnish full telegraphic service as required by the Pacific Railroad Act. In those acts penalties are provided without the requirement that the violation be willful. The mere violation is sufficient to invoke the penalty.

This being wartime, I think we should be anxious to see that price control is maintained. If such provisions for recovery of damages and for civil penalties are effective in peacetime, why should they not be required in wartime?

As examples of laws providing civil penalties, I cite the act relating to exceeding rice marketing quotas; the act with respect to violation of various immigration restrictions; the slave trading act; and the act relating to false or insufficient manifest specifying sea and ship's stores. There are many others. In all of them the mere act itself, without any requirement that the violation be willful, is sufficient to make the violator subject to penalties.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement showing a list of statutes providing for recovery of damages or civil penalties for statutory violation, without a requirement that the violation be willful.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A. Federal provisions for recovery of damages or civil penalties for statutory violation, without a requirement that the violation be willful.

1. Damage recovery:

- (a) Clayton Act (15 U. S. C. 15).
- (b) Bituminous Coal Act of 1937 (15 U. S. C. 835d) (expired).
- (c) Unauthorized use of registered trademarks (15 U. S. C. 96, 99, 124).
- (d) Fair Labor Standards Act (29 U. S. C. 216).
- (e) Patent infringement (35 U. S. C. 67, 70).
- (f) Failure to furnish full telegraphic service as required by Pacific Railroad Act (45 U. S. C. 83).

2. Civil penalties:

- (a) Exceeding rice marketing quotas (7 U. S. C. 1356).
- (b) Violation of various immigration restrictions (8 U. S. C. 139, 143, 145, 150, 169, 216).
- (c) Slave trading (18 U. S. C. 434).
- (d) False or insufficient manifest specifying sea and ship's stores (19 U. S. C. 1432, 1460).
- (e) Driving stock to feed on Indian lands (25 U. S. C. 179).
- (f) Violation of navigation rules for harbors, rivers and inland waters generally (33 U. S. C. 158, 159).
- (g) Failure of postmaster to render proper accounts (39 U. S. C. 44).
- (h) Violation of 8-hour-day provision in public contracts (40 U. S. C. 324).
- (i) Violation of load line provisions for vessels (46 U. S. C. 85 (g), 88 (g)).

B. Federal provisions for injunctions against statutory violations, without a requirement that the violation be willful.

- (1) Fair Labor Standards Act (29 U. S. C. sec. 217).
- (2) Interstate Commerce Act (49 U. S. C. sec. 5 (8), 16 (12), 916 (b), 1017 (b)).
- (3) Sherman Act (15 U. S. C. sec. 4).
- (4) Securities Act of 1933 (15 U. S. C., sec. 77t (b)).
- (5) Securities Exchange Act of 1934 (15 U. S. C., sec. 78u (e)).
- (6) Investment Companies Act (15 U. S. C., sec. 80a-41).
- (7) Investment Advisors Act of 1940 (15 U. S. C., sec. 80b-9).
- (8) Federal Power Act (16 U. S. C., sec. 820).
- (9) Federal Power Act (16 U. S. C., sec. 825m (a)).
- (10) Agricultural Association Act (7 U. S. C., sec. 292).
- (11) Agricultural Adjustment Act of 1933 (7 U. S. C., sec. 608a (6)).
- (12) Hot Oil Act (15 U. S. C., sec. 715i (a)).
- (13) Public Utility Holding Company Act of 1935 (15 U. S. C., sec. 79r (f)).
- (14) Federal Alcohol Administration Act (27 U. S. C., sec. 207).
- (15) Sugar Act of 1937 (7 U. S. C., sec. 1175).
- (16) Natural Gas Act (15 U. S. C., sec. 717u).
- (17) Civil Aeronautics Act (49 U. S. C., sec. 647 (a)).
- (18) Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 332 (a)).
- (19) Alteration of Bridges Act (33 U. S. C., sec. 519).

Mr. WEEKS. Mr. President, let me say in reply to the Senator from New York that I am as much interested as is any other Senator in the small purchaser. I

am as much interested as is any other Senator in the O. P. A. and what it is doing, which I think is vitally important. I am not attempting in any sense to deprive a purchaser who has been overcharged of his day in court. On the other hand, I am trying to see to it that the merchant—not only the chain-store merchant, but the merchant at the cross-roads—every merchant, large or small—has his day in court. In almost any action that I know anything about, criminal or civil, if a judge makes a technical finding of guilty, he may file the case if he thinks there are extenuating circumstances which warrant such action.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. WAGNER. In the case of a criminal penalty, there is already a provision in the law requiring that the violation be willful, before the defendant can be convicted. That is already a part of the criminal procedure. We are now discussing civil penalties.

Mr. WEEKS. I understand that we are discussing civil penalties. The point I wish to make is that in almost every case it is within the discretion of the court, as I understand, to file the case if there are extenuating circumstances. Let me read from a decision rendered by a judge in Kentucky:

If there is any element of justice, morality, or right in compelling a respectable and honest merchant, such as the defendant in this case, at such a time as the present when experienced clerks are scarce and hard to obtain, to pay a penalty of \$50 for an innocent mistake of 10 cents by an inexperienced clerk, in which the employer who is so mulct-ed had no part whatever, I have failed to discover it.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. WAGNER. In view of the statement which the Senator made in quoting the decision of a Kentucky judge, I should like to quote from the Emergency Court of Appeals, which had before it one of these cases—probably a hardship case. The court said:

Occasional hardship to one who honestly and intelligently endeavors to comply with the law is not too high a price to pay for the protection of the whole community against inflation.

That is the view which those of us who oppose the amendment take.

Mr. WEEKS. Mr. President, I wish to conclude my remarks with regard to this particular amendment by saying that all I am attempting to do is to provide that a merchant who is not guilty of a willful violation, and a merchant who has not failed to take practicable precautions to conform to ceiling prices which have been established, shall be allowed to prove these points to the satisfaction of the court and that the court shall have discretion as to whether he shall or shall not assess a penalty. It is no light matter for a merchant, large or small, to be hauled into court and fined \$50 or \$75. The amount is not important. The fact is that he is held up to the scorn and opprobrium of the public as having been a chiseler and a violator

of the law, I believe that thousands of merchants, large and small, all over the country, are entitled to have their day in court, and that where there are extenuating circumstances the court should, under the law, be given some discretion as to whether a penalty should or should not be invoked.

Mr. MALONEY. Mr. President, I am very hopeful that the amendment offered by the distinguished Senator from Kentucky [Mr. CHANDLER] and the distinguished Senator from Massachusetts [Mr. WEEKS] will not prevail. We are engaged in a discussion of a wartime measure. If we were not at war there would probably be no O. P. A. or price stabilization.

The Office of Price Administration has been functioning for a long time with outstanding success. Every Member of the Senate admits, and quite generally throughout the country there is an admission, that the O. P. A. is under the guidance of conscientious, capable, and able men.

The particular question before the Senate is one which has had very careful consideration, for a long period of time, by the Office of Price Administration, as well as by the Banking and Currency Committees of both Houses of Congress. The Office of Price Administration, and particularly the feature of the law now under discussion, were established with the intent to protect the consuming public consisting of approximately 100,000,000 American purchasers.

All of us know—we admit with regret—that there are those who willfully violate regulations of the Office of Price Administration. Every Senator knows that it would be almost impossible to attempt to police the regulations of the O. P. A. with paid governmental employees alone. So the O. P. A. very wisely, it seems to me, has solicited the help of the American people in policing its program. It was with that in mind that this law was adopted. In order that the American people could contribute to their own protection this language was written into the statute.

Mr. President, if we undertake to say that the man who is not willfully guilty of a violation of the law should not be penalized we might as well dispense with policing by the method which has been provided. Suits would not be brought. Persons engaged in business would in many instances become more or less careless. The American people and the O. P. A. program would suffer. All of us know about the black markets. Black markets exist because the policing power is not strong enough, and because there are not a sufficient number of men to discover or apprehend those who violate the law.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. WEEKS. Am I to understand the Senator from Connecticut to say that suits would not be brought, and does he have the thought that the people have so little confidence in the courts that they would not bring suits because they would know that we had written into the law that the court had discretion?

Mr. MALONEY. That is exactly what I said, and that is exactly what I meant.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BARKLEY. The amendment which is pending goes much further than giving to the court discretion. As an absolute defense on the part of the defendant in any proceeding, he would have to prove that he either did not willfully commit the violation, or that he had taken all necessary precautions in order to avoid a violation. The court would have no discretion if the defendant should make such proof. The court would have to dismiss the case, no matter what the proceeding might be.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. CHANDLER. We would put the burden of proof on the defendant. The burden of proof would not be upon the Government, but upon the defendant. The court would listen to the proof, and would know upon whom was the burden of proof, and it could determine whether the defendant had proved he was not a willful violator, or had proved that he had taken all ordinary precautions. What objection would there be to that? Why should not a man have an opportunity to prove his case? To deprive him of such opportunity would be to take away from him whatever right he has in the world.

Mr. WEEKS. Mr. President, will the Senator further yield to me?

Mr. MALONEY. I yield.

Mr. WEEKS. We do not even say that the defendant is innocent until he is proved guilty. We say he must prove, as a part of his defense, that he has not been willful in his violation, and that he has taken all practicable precautions to prevent the violation.

Mr. MALONEY. Mr. President, in my judgment the Senator would create a very complicated situation if a distinguished merchant in a community should appear before the court and say in effect, "I did not know about it, Your Honor. I missed that regulation. The regulations, as Your Honor knows, are complicated. I did not have time to study them. I was engaged in war work. I was serving on a bond selling committee. I have a new clerk and he did not understand the regulations." I do not wish any judge to be placed in the position of having to condemn a man for his oversight or carelessness. I assert that the incentive of the merchant to make himself familiar with the regulations will be destroyed if this amendment is adopted.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. MURDOCK. I wish to make an observation with which I believe every lawyer in the Senate will agree.

Under the amendment of the distinguished Senator from Massachusetts [Mr. WEEKS], and the distinguished Senator from Kentucky [Mr. CHANDLER], there would be placed upon the defendant the burden of moving forward with evidence that the violation was not a

willful one, and also that the defendant had not failed to take practicable precautions. But once the evidence had gone forward, regardless of how convincing it was, a prima facie defense would be made, and would have to be overcome. The burden of overcoming the prima facie case would then be transferred to the plaintiff. So about all that would be done by this type of amendment would be to place upon the defendant the burden first, of moving ahead with the evidence. The burden would then immediately be transferred to the plaintiff after the prima facie case had been established, and the plaintiff would then have to prove that there had been knowledge, and also that the defendant had taken practicable means to inform himself.

Mr. MALONEY. I thank the Senator. He anticipated what I was about to say.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. WEEKS. The Senator from Connecticut has stated that if a defendant should come before a judge and say, "I did not read the regulations." I did not do this, or did not do that—

Mr. MALONEY. The Senator from Massachusetts has not quoted my language. He has the general idea, however.

Mr. WEEKS. If the defendant comes before the judge and the judge concludes that he has not taken reasonable precautions, then under this amendment the defendant will not have established any defense whatsoever against the charge. In other words, the defendant has to prove that in the ordinary, routine conduct of his business he has instructed his clerks and employees as to what to do; that he has put prices on the articles he has for sale, and taken every precaution to see to it that this law is obeyed.

I would remind the Senator that anybody conducting a business today, whether it be a large or a small business—and a small business suffers most—is having all he can do every day of his business life in trying to keep up with the regulations. Ninety-nine out of one hundred and more are honestly trying to live up to the letter of the law, and they are the people I am trying to protect by this amendment.

Mr. MALONEY. Mr. President, it is pretty difficult for me to believe that the American people are dishonest and that they are seeking to take honest merchants into court. There may be mistakes made here and there; we may find an evil man here and there; we may find an occasional greedy man; but I have not come in contact with the sort of situation described in this debate. I do not believe the American people, or very many of them at least, would take into a court an innocent merchant who made a mistake, and I do not believe that such a merchant as the one described a moment ago by the distinguished Senator from Massachusetts who had taken every precaution need have any fear.

Mr. WEEKS. Mr. President, will the Senator from Connecticut yield further?

Mr. MALONEY. I yield.

Mr. WEEKS. I have cited one case and unquestionably there are many more cases, where chisellers have tried, as in the case mentioned, to bring an honest merchant into court and profit thereby.

Mr. MALONEY. I doubt very much if there are many of them and I feel very certain the record will not show that over the period of time this law has been in effect many innocent men have been taken into court. I can understand how an aggravated public or an aggravated individual, understanding that a merchant somewhere was preying upon the American people, and with evidence of a dozen or 20 or 50 or a 100 violations, might be provoked to the point of bringing that particular merchant into court.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. McFARLAND. I ask the Senator if this law is not for the protection of the conscientious merchant who is trying to abide by the law?

Mr. MALONEY. That certainly is a part of the reason for it.

Mr. McFARLAND. But the chiseler, under this kind of a provision, would be able to say, "I did not know what the rules were; I was trying to find out what they were." Under such a provision as the one now proposed, who could prove that that man did not get more money for his goods than he should have obtained? The conscientious man who abides by the law is the one who suffers.

Mr. CHANDLER. Mr. President, will the Senator from Connecticut yield?

Mr. MALONEY. I yield.

Mr. CHANDLER. I will say to the Senator from Arizona that about 500,000 merchants of the country disagree with him. I know of a case and cited it yesterday where a customer made a purchase from the Kaufman-Straus Stores, a highly reliable establishment, and was overcharged 10 cents.

Mr. MALONEY. I was here and heard the Senator.

Mr. CHANDLER. The Senator said he did not know of such cases. The customer demanded his 10 cents back and got it. What kind of a man is it who, after getting the refund, will go into court and sue to get \$50 and \$25 lawyer's fees, which is 750 times the amount of the refund? I wish such things would not happen, but they do happen. The judge in that case said he thought the sellers were reliable merchants; he thought they had taken reasonable precautions, and that they did not engage in that kind of business, but there was nothing in the world he could do. He could not listen to their side of it; he could not take into consideration any extenuating circumstances; he could not let them tell him that they had taken all reasonable precautions, and did not intend to make a mistake. He knew they had paid the money back promptly, and yet fined them \$50 and \$25 counsel fees. I am not talking about something that may happen but about something that actually did happen.

Mr. MALONEY. The word of the distinguished Senator from Kentucky is good enough for me, and I am assuming

that Kaufman and Straus are honorable merchants; but the fact of the matter is that in their store some one was overcharged 10 cents, and, without such a law as we now prescribe that might have gone on day after day, week after week, on item after item, and the American people could have been penalized just that much in a store conducted by honorable men. It is only by such situations as the one the Senator describes that such cases come to light. Some department stores, I presume, sell thousands upon thousands of items and 1 or 2 or 3 or 4 cents on each item or on a great number of items would amount to a tremendous sum.

This is a wartime measure. The distinguished Senator from Massachusetts said a few moments ago that men are compelled to suffer a penalty because of an innocent mistake of 10 cents. Mr. President, if a soldier of this country goes to sleep at his post of duty he may be sent to the Federal penitentiary for years. God knows falling asleep is an innocent mistake. When a boy, called from his home, from a life of peace, is put into the Army, and, tired, exhausted, worried, and bewildered, he falls asleep, no one questions the innocence of his act; but he is subject to a penalty, if I may use the language of the distinguished Senator from Kentucky, that is 750 times what it ought to be on the basis of the discussion and the claims here made by the proponents of this amendment.

Let me say again, Mr. President, we are engaged in a terrible war. That we keep stabilization effective is all-important in the prosecution of this war; it is all-important in the protection of our national economy; it is all-important in the protection and maintenance of our national morale; and, if the merchants of the country—and I realize that innocent ones will suffer—are not sufficiently concerned to keep themselves well informed and are not sufficiently interested to see that their clerks are properly trained, or even, Mr. President, if they are unable to do those things because of other heavy pressures, it seems to me that it is necessary for the over-all protection of the country that we have this law, even though in some isolated case innocent men may suffer.

We do not write laws for a small group of our people. We would not need them if every man practiced the Golden Rule; there would be no occasion for stabilization if every man had complete goodness and understanding in his heart. We write regulations and we pass laws as a deterrent to those who would do evil, or those who are careless of their neighbors' welfare.

Does anyone suppose that all of those who violate traffic laws willfully drive through red lights? Would it be sensible for every judge to say, "I know you did not do it willfully; you are excused." Men are supposed to know, and in wartime it is necessary that they be compelled to an extra effort and that there be imposed upon all of us a very great responsibility.

I know that this amendment is proposed in good faith by two distinguished

Senators who seem to see a wrong, but admitting that there is a wrong, admitting that there is a mistake and that these numerous regulations are hard to understand and to keep up with, let me say, Mr. President, we are not going to go through this war successfully with conveniences on every hand. The Office of Price Administration has done and is doing its job very well; it has met with great success up to this hour. Under a continuation of those who guide the management of the O. P. A. and protect the destinies of our people, the worst is behind us. We will have to endure these inconveniences for a little while longer. I can see it moving on successfully with the complete cooperation and understanding of the Congress, but if we do something here to interrupt the program which those in charge, after all their experience, tell us is a great mistake, we may do great harm.

I earnestly hope the amendment will be rejected.

Mr. WAGNER. Mr. President, before the Senator concludes his admirable address I should like to remind him that it was in peacetime that we passed the wage-and-hour law, and in that act, because of the disparity between the employer and employee, we provided a penalty for violation of the law irrespective of the question of good faith, because we recognized that an employee would be almost defenseless against any of the very few employers who chiseled. So we provided a penalty during peacetime.

Mr. MALONEY. The Senator is correct. I thank him.

Mr. TUNNELL obtained the floor.

Mr. CHANDLER. Will the Senator from Delaware yield for a moment?

Mr. TUNNELL. I yield.

Mr. CHANDLER. The Senator from Connecticut has talked about injustices, and all of us are in favor of preventing injustices; but in my opinion we would not be doing a just thing or improving the condition of any man in the Army, the Navy, or the Marine Corps of the United States if, in the name of the war, we heaped injustices on those they left back home, and it is an injustice not to provide better justice. That is always an injustice.

Mr. MALONEY. If the Senator from Delaware will yield, I insist that a man cannot be penalized unless his guilt is clear.

Mr. CHANDLER. And we are insisting on giving him an opportunity to show that he is innocent.

Mr. TUNNELL. Mr. President, I desire to endorse the pending bill, and I call attention to the fact that yesterday I received a petition signed by approximately 3,500 persons. It was addressed to me, to the junior Senator from Delaware [Mr. BUCK], and to Representative WILEY. It was from Wilmington, Del., and those sending the petition represented the American Federation of Labor, the Congress of Industrial Organizations, railroad brotherhoods, National Association for the Advancement of Colored People, the Wilmington Cooperative Society, and assorted consumer citizens. The petition reads:

We, the undersigned consumers of Delaware, urge you to support adequate price-

control legislation in Congress by voting to extend and strengthen the Price Control Act. Prices must be kept down.

I do not think the full extent of the good that has been done and will be done by the O. P. A. will ever be fully realized. I know the antagonism that was aroused on the organization of the O. P. A. as a result of misjudged policies on the part of someone in the organization. I realize that there were hundreds of people employed by the O. P. A. in the beginning who had no sympathy with the O. P. A. or its purposes and did not work to carry out the purposes of the law. But I think conditions have changed, and I believe that the O. P. A. today is endeavoring to meet a great requirement of American life, and I believe it is doing so.

It has been said that the O. P. A. law is a war measure, and that is true. The American people perhaps would not long consent to a law such as this if it were not in wartime. So, whatever I say in endorsing the Chandler amendment is not said with a view to criticizing the O. P. A. I do not think the amendment involves a criticism of the O. P. A. I think it is only fixing by law the course which the O. P. A. must follow, and in my opinion the amendment does provide for something which common decency and justice require.

The amendment reads:

It shall be an adequate defense to any suit or action brought under subsections (a), (e), or (f) (2) of this section if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.

I do not see anything wrong in that. I remember hearing that in early days, under the Mosaic law, there was the idea, and practically the requirement, that a person who killed another, even innocently, had to stand the punishment fixed. But I thought we had passed that period. I know, as other Senators know, that practically every lawyer who has had anything to do with the trial of cases has had to defend those who have innocently either killed or injured others. According to the theory of the opposition to the amendment, such a person should not be permitted to show that he committed the act innocently. He would have to suffer whatever punishment, civil or criminal, there might be for doing something which he did not intend to do, and for which he should not be held liable. That has always been a defense in all the actions with which I have had anything to do, and I have engaged in a great deal of trial work.

I remember one time defending a man for breaking into a store with intent to commit a robbery. It was a defense, and I used it, that the man was so drunk that he did not have any intent. The intent is the gist of the action. We may walk out of this building, get into a car, and strike a person innocently. Are we to be assessed \$10,000, or \$100,000, whatever the death of that man may be shown to be worth, because we innocently did something we did not intend to do?

We are told that if the law does not provide a penalty which is high enough to induce people to bring actions when no damage should be collected at all, suits will not be brought. Such a statement does not appeal to me as being consistent either with common justice or common sense. Is it meant that under our American system a person must be allowed to collect damages in cases where the act, whatever it may be, was innocent, in order that some person who has willfully committed a wrongful act may be forced to pay?

I can see that it might be less complicated if we should merely say that every one who commits a certain act, intentionally or otherwise, should be held liable. I concede that that might be easier, but the difficulty arises, as I see it, under the proposal, because of the fact that the court is given no discretion. The language of the bill is:

(1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. RADCLIFFE. As was stated yesterday, the amount of \$50 is arbitrarily chosen.

Mr. TUNNELL. That is what I object to, that it is an arbitrary figure.

Mr. RADCLIFFE. I wish to call to the Senator's attention that I stated on the floor of the Senate yesterday that it is my intention to offer an amendment reducing that amount to \$25. The Senator might ask, "What is the difference in theory?" I am sure the Senator from Delaware is not going to take the position that the penalty should be the amount only of the overcharge; in other words if there were an overcharge of 15 cents that there should be a fine of 15 cents. We have a perfectly well-established practice in our courts and under our laws, of fixing by law some small figure as an arbitrary penalty. It seems to me that, though there may not be any particular directive for selecting some special amount, there is good reason why there should be some such amount required by law, and consequently I am going to suggest that the amount be reduced to \$25.

I also wish to remind the Senator from Delaware that the committee has made a very material change in regard to the present law, because there is under the committee amendment only one amount required, rather than one for each violation. This makes a very material difference.

Mr. TUNNELL. I will say to the Senator that that still does not justify an injustice. I care not whether it is contended that a man who had collected 10 cents wrongfully but not willfully, must pay \$25 or \$50; the imposition of either amount as a penalty is unjustified. That is what I am arguing against. I have not heard any Senators who are defending the proposition say it is right

and I do not think I shall hear anyone say it is right.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. RADCLIFFE. A few moments ago the Senator from Connecticut [Mr. MALONEY], and also the Senator from New York [Mr. WAGNER], called attention to the fact that even in peacetime we had provided for penalties where there was not any willful intent to violate the law, so it is nothing new that is being continued in the committee amendment. It is a practice to which we have resorted in very special matters, and not in the usual course of procedure. The O. P. A. is an emergency agency, and we must retain it. Its continued existence is imperative. Since it is an emergency proposition, an arbitrary provision as to penalties is not a novel idea. It is simply in line with what has been done many times in the past to meet special demands of public policy.

Mr. TUNNELL. Does the Senator mean to argue that the doing of a wrong in the past is a justification for doing it in the future?

Mr. RADCLIFFE. Most assuredly not.

Mr. TUNNELL. Then why present that argument?

Mr. RADCLIFFE. I am not presenting such an argument. That is the interpretation which is being put upon my argument, but that was not what I said or intended to say. I said that we found out in our jurisprudence a long time ago that under some exceptional circumstances there must be some arbitrary form of punishment irrespective of the matter of intent. That is not new. That is an historic policy.

Mr. TUNNELL. I take the position that there has been absolutely no circumstance shown here which justifies or requires the doing of an injustice, and the Senator has not shown any such instance.

Mr. RADCLIFFE. Would the Senator prefer that I speak in my own time and not interrupt him?

Mr. TUNNELL. I do not care. If the Senator wishes to give us some reason why an injustice must now be done in order to obtain justice, I am perfectly willing to listen.

Mr. RADCLIFFE. Let me remind the Senator of what I have said before, that this type of penalty is not a novel idea.

Mr. TUNNELL. I am not talking about that. Is it an injustice?

Mr. RADCLIFFE. No.

Mr. TUNNELL. Then we differ, and there is no use for us to argue the question. If the Senator says it is not an injustice to collect 750 times the amount of the overcharge, then he and I are on entirely different grounds.

Mr. RADCLIFFE. Let me say to the Senator that when injustice is spoken of one must be sure one has looked at the matter from all relevant viewpoints. If it is essential—and there may be a difference of opinion with respect to it—that the O. P. A. be continued, and the Senator from Delaware in the beginning of his presentation made a very eloquent statement in regard to it, when he said the O. P. A. must be continued—

Mr. TUNNELL. That is correct. I still say so.

Mr. RADCLIFFE. I do not mean to suggest to the Senator for one moment that merely because some other Member of the Senate has reached any conclusion he necessarily should follow that viewpoint, but, if the Senator will permit me, I should like to recall some circumstances which I think might properly be borne in consideration. This O. P. A. legislation has been in existence for several years.

Mr. TUNNELL. Mr. President, I prefer not to yield to hear the Senator tell what has been done as an injustice. I want to know why an injustice done in the past should justify a present or future injustice. If the Senator will get down to that, I will yield, but I will not yield to have him merely say that there have been injustices in the past and, therefore, they should continue.

Mr. RADCLIFFE. I have said nothing of the sort, but I will not trespass on the Senator's time. I think it is reasonable that he should continue with his argument and not hear my views if he is so inclined. But I wish to say—I will put it in one sentence, and shall attempt to amplify when I have the opportunity—that when we consider the matter of injustice we must regard it from the larger standpoint, and not merely from the standpoint of isolated instances. The Senator and I in this world do many things that we would rather not do. We are subjected to certain restraints, legal and otherwise, because they are required by the public welfare. We have such a thing as public policy with which we must accord if we are to live in community life. We submit to many regulations and restrictions, some of which may seem onerous and some unreasonable, but if there is a sound principle of public policy underlying them, it justifies often the individual hardships and the course which is being dictated by public policy.

Mr. TUNNELL. I do not think anyone is going to say that the instances in which the overcharge is small are comparatively few. I think if we could obtain the facts, we would find that such cases would be a hundred times as many as the large overcharges. Now to place in a bill the provision that if there is an overcharge of 1 cent, or of 10 cents, there must be a penalty of at least \$50—

Mr. MURDOCK. Mr. President, will the Senator yield to me?

Mr. TUNNELL. Yes.

Mr. MURDOCK. The Senator realizes, does he not, that we are not now putting such a provision in the bill?

Mr. TUNNELL. It is here.

Mr. MURDOCK. The Senator voted for it. That language is exactly the same as in the present law, and the Senator voted for it.

Mr. TUNNELL. Yes, but we have found that it is wrong, and I am advocating an amendment which eliminates the wrong, if the Senator understands my position.

Mr. MURDOCK. I do not misunderstand the Senator, but I do not want him to entertain the mistaken idea that we were now for the first time writing this language into the law.

Mr. TUNNELL. The Senator is getting back to the same argument the Senator from Maryland made, that there have been wrongs committed in the past, and that therefore future wrongs are justified. I do not see the wisdom of that argument.

Mr. MURDOCK. I am sorry I interrupted the Senator. I will not do it again. I will answer him in my own time.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. CHANDLER. The Senator from Delaware and the Senator from Kentucky both voted for the provision, but now that we have found we were wrong, we are opposed to that wrong, and this is the first opportunity we have had to correct it. If the Senator wishes to stay wrong, very well.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. HAWKES. I should like to say that we have found by experience that, because millions of men and women have been taken from their ordinary places of business, men who are honestly trying to conduct businesses have been interfered with in handling their affairs and many mistakes are unintentionally made.

Mr. TUNNELL. That is correct.

Mr. HAWKES. The Senator says, according to my understanding, that this body should be in favor of simple American justice.

Mr. TUNNELL. Yes.

Mr. HAWKES. The Senate is in favor of extending simple American justice so that when a man has not made a mistake intentionally and willfully, and when he has taken all the precautions he can take, having in mind the kind of help he has had forced upon him because of war conditions, when he has not done anything willfully wrong, when such conditions exist the courts shall have the right to listen to him and exonerate him when he offers proper excuse for his acts. I agree with the Senator from Delaware absolutely; it is not a question of the fine, it is a question of the stigma placed on an innocent man.

I wish to say, Mr. President, that I do not believe there is a Member of the Senate who, if he would apply this rule to himself, if he were operating a business and were doing the best he could possibly do to conduct his business honestly and to support the O. P. A., and if he made a mistake through some clerk who was unfamiliar with the regulations or some new sales person who had been forced upon him, would want to be stigmatized in his community by a fine of \$50.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a moment?

Mr. TUNNELL. I yield.

Mr. RADCLIFFE. A short time ago the Senator from Massachusetts referred to the instance of a man going out on the street and finding 104 violations in one day. Is that a health situation? Does it show enforcement? I do not know who the violators were, but can we believe that any reasonable effort was made to observe the law, when one man found 104 violations? Probably there were tens of thousands or hundreds of

thousands of violations in that area, and the fact suggests that the law was being flouted generally.

Mr. HAWKES. Mr. President, I do not agree with the Senator that the law is being flouted generally. I believe there are in this country people who do not wish to obey, and there always will be. But I say that it is not proper to disregard our American standards of justice. I say that it is not healthy for a boy on the firing line to get word from his father back home that he has been fined \$50 for doing an innocent act, when he was trying to support the war effort on the home front.

Mr. WEEKS. Mr. President, will the gentleman yield?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. TUNNELL. I yield.

Mr. WEEKS. I do not think the Senator from Maryland has quite accurately quoted me. I did not say that a certain person in one day found 104 violations. In a period of 40 days, shopping in 1,000 stores, or using 1,000 examples, he found 104 different violations in different stores. If he had found 104 violations in one day, under the terms of this amendment, the judge naturally would have had to say that that merchant could not possibly have taken practicable precautions against a recurrence of the violations, and the judge would, therefore, have assessed a fine.

Mr. TUNNELL. Mr. President, I repeat that I have not yet heard anyone, except the Senator from Maryland, state that it is not an injustice to collect a fine of from 500 to 750 times the amount of the overcharge. In the debate I have not heard that argument used.

In criminal matters it is always proper, when it comes to assessing a fine and determining the amount of the fine, to show that the person charged with the offense did not intend to commit it. If a person charged with a violation goes before a jury in a criminal case or in a civil case and says he did not intend to strike the man with his automobile, and that he was using every precaution, that is a defense. It is recognized as such. But under the existing law and under the pending bill, if it becomes a law just as it is worded, it is not a defense.

The argument is made that I voted for it in just that form. Those who make that argument are going back to the idea that because I have done wrong once, that justifies my doing so again. Here is something which has been discovered. Here is an amendment which will eradicate a wrong. I am in favor of eradicating the wrong, and I think it is just and right to do so. Either the court, the jury, or someone should have a right to use discretion. It should not be the law that because someone has blindly shown that another person has violated the law unknowingly and unwittingly, he should be punished by a fine of from 700 to 800 times the amount of money involved, in addition to the stigma to which the Senator from New Jersey [Mr. HAWKES] has referred, and which in many instances is perhaps the heaviest

penalty which could be imposed. As I understand the pending bill, it does not remedy that situation at all.

In other words, under the existing law and the pending bill, the question is not whether the violation was intended; but the only question is—to use an analogy—Did the automobile strike the man? If it did, and if death resulted, the driver of the automobile is liable.

That is not American justice. It is not the justice to which I have been accustomed in the courts. It is not the justice to which the Senator from Maryland is accustomed; because I have practiced in the courts of his State, and I know they try to administer justice. The present law and the bill as it is written are not in accord with the principles of justice.

Mr. RADCLIFFE. Mr. President, will the Senator recall a statement made a short time ago by the Senator from Connecticut, when he spoke of a person who drives through a red light? If a person drives through a red light, even though he may do so innocently, does the court ordinarily accept the explanation that he did so innocently?

Mr. TUNNELL. Yes, Mr. President; a court takes that into consideration; and in many thousands of cases no fine is imposed.

Mr. RADCLIFFE. But that is not an answer.

Mr. TUNNELL. The Senator asked if the court takes it into consideration. It certainly does.

Mr. RADCLIFFE. Let me put my question in another way.

Mr. TUNNELL. Very well; I shall be glad to have the Senator do so.

Mr. RADCLIFFE. If the Senator will look up the records of a police court or a magistrate's court or any court at all which has to pass on violations of traffic regulations, he will find that every day in a very large percentage of cases fines are exacted, although there may be no intent to violate the law.

Mr. TUNNELL. Yes; and in a very much larger percentage of cases the court does take into consideration the manner and the attitude of the person who violated the regulation, and whether he was taking reasonable precautions. If the court does not take such matters into consideration, it is not doing its duty; and if the Senate does not take into consideration the very right of the matter, in writing these laws, it is not doing its duty.

Mr. RADCLIFFE. Does the Senator understand that it is customary in traffic violations to have the intent of the person be the controlling factor?

Mr. TUNNELL. The Senator is endeavoring to get back to the point of whether some wrong has been done in the past in traffic violations and, if so, that it is a reason for continuing the wrong. I do not think it is, even in Maryland.

Mr. RADCLIFFE. The Senator challenged me to cite an illustration. I am telling him that the magistrate's courts in Maryland, the courts in the District of Columbia, and the courts in practically every State, including, I assume, the State of Delaware, every day are punishing

for traffic-law violations people who do not intentionally violate the law.

Mr. TUNNELL. I will say that the judges in Maryland and in Delaware and in every other State with which I have ever had anything to do, take into consideration the criminality or the negligence, in civil cases, of the person accused.

Mr. RADCLIFFE. Is that true in the case of a violation of a parking regulation?

Mr. TUNNELL. Yes; it is.

Mr. RADCLIFFE. Is that true in the case of a person who overparks, and who says he failed to look at his watch to keep track of time?

Mr. TUNNELL. If there were proper signs indicating the boundaries of the restricted parking area, that fact is taken into consideration. If there were no such signs, that fact is taken into consideration. The degree of negligence enters into the matter every time.

Mr. RADCLIFFE. Does the Senator refer to violations of parking regulations?

Mr. TUNNELL. I do not know how many judges will overlook those considerations, but I am talking about the laws and the way they are administered.

Mr. RADCLIFFE. I am simply asking the Senator from Delaware to tell me what is customary in the case of violations of traffic regulations. Fines are frequently imposed against persons who had no intention to break the law.

Mr. TUNNELL. I am telling the Senator from Maryland that in cases of traffic violations, as in all other cases about which I know, the courts use some common sense. But the Senator is asking them not to do so in this case.

Mr. HAWKES. Mr. President, will the Senator yield to me, in order that I may make a statement?

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Delaware yield to the Senator from New Jersey?

Mr. TUNNELL. I yield.

Mr. HAWKES. In the case of traffic violations, the person who is charged with the violation is the person who was driving the automobile. In the case of the sales and overcharges now in question, for which a person may be penalized, that person may have been 20 miles or 50 miles away from the spot where the overcharge was made. He may have had forced on him help which he would not use under any ordinary conditions in his store. Today the merchants are getting along as best they can.

Mr. President, while I am on my feet I wish to say that I think the O. P. A. is doing a good job. I think it is vitally important that it be supported. There is nothing more important than to control inflation. I, too, like the Senator from Delaware, do not believe we have to dispense with genuine American justice in order to enforce the O. P. A.

Mr. TUNNELL. I thank the Senator. That is exactly my position.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. JOHNSON of Colorado. I regard the Senator as a very able lawyer, and

I wish to ask him a technical question. I notice the following language in line 4: It shall be an adequate defense.

What is the significance of the word "adequate," when used in that connection? Does it mean a complete defense? Why would it not be better to say that it shall be an admissible defense? "Adequate" seems to me to be a very sweeping word in that connection.

Mr. TUNNELL. I ask the Senator if an adequate defense does not mean an admissible defense?

Mr. JOHNSON of Colorado. That is what I wish to find out.

Mr. TUNNELL. It certainly does.

Mr. JOHNSON of Colorado. "Adequate" seems to me to be a very sweeping word.

Mr. TUNNELL. I do not know what an "admissible" defense is. An adequate defense is a complete defense. An "admissible" defense may be a defense which is offered, and which may be accepted or rejected by the court. That is my idea of the distinction. However, I believe that it should be a complete defense.

The only justification for assessing a penalty of \$50 or \$25 for a 10-cent overcharge is as a matter of punishment. If it can be shown that there was no negligence, and that every precaution was taken to prevent the violation, or if it can be shown "that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation" what is there to punish the defendant for?

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. REVERCOMB. With respect to the inquiry made by the able Senator from Colorado as to the use of the word "adequate" does not the word "adequate" mean sufficient? Is not an adequate defense a sufficient defense to the charge?

Mr. TUNNELL. Yes; I think it means a complete defense.

Mr. REVERCOMB. In this instance it seems to me that the proper construction of adequate is a sufficient defense to the particular charge.

Mr. TUNNELL. As I have said, that is taken into consideration in civil cases by juries, and in criminal cases by the court in fixing the punishment. But under the language of the bill the court would have no discretion. It would have to punish with the largest fine or assessment possible—"whichever is larger." The court would have no discretion, under the terms of the bill, if it should be proved that there was no negligence and that the violation was innocent or perhaps justifiable. It might be justifiable, and yet the court must fix the punishment at the greater amount. I think it is one of the most unfair proposals that I have ever seen attempted to be put into a statute.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. CHANDLER] on behalf of himself and the Senator from Massachu-

setts [Mr. WEEKS] to the committee amendment on page 10, after line 20.

Mr. CHANDLER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RADCLIFFE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Revercomb
Ball	Gillette	Reynolds
Bankhead	Green	Robertson
Barkley	Guffey	Russell
Bilbo	Gurney	Shipstead
Brewster	Hatch	Stewart
Bridges	Hawkes	Taft
Brooks	Hayden	Thomas, Idaho
Buck	Hill	Thomas, Okla.
Bushfield	Holman	Truman
Butler	Jackson	Tunnell
Byrd	Johnson, Colo.	Tydings
Capper	La Follette	Vandenberg
Caraway	McClellan	Wagner
Chandler	McFarland	Wallgren
Clark, Mo.	McKellar	Walsh, Mass.
Connally	Maloney	Walsh, N. J.
Cordon	Mead	Weeks
Danaher	Millikin	Wheeler
Davis	Moore	Wherry
Downey	Murdoch	White
Eastland	Murray	Wiley
Ellender	Overton	Willis
Ferguson	Radcliffe	Wilson
George	Reed	

The PRESIDING OFFICER. Seventy-four Senators have answered to their names. A quorum is present.

The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. CHANDLER] on behalf of himself and the Senator from Massachusetts [Mr. WEEKS] to the committee amendment.

Mr. REVERCOMB. Mr. President, the subject before the Senate at the present time deals with the infliction of a civil forfeiture or a penalty for a violation of the Stabilization Act. The sole question boils down, as I see it, to this: Under the present statute, if a merchant or one selling goods sells merchandise above the O. P. A. ceiling price, regardless of whether the overcharge is intentional or not, regardless of the circumstances, regardless of how innocent the seller may be, he is subject to a penalty.

It is stated that in forfeiture cases in an action brought by the purchaser the seller shall be liable for reasonable attorney's fees and costs as determined by the court. In addition, the seller must pay an amount not less than one and one-half times and not more than three times the amount of the overcharge, or \$50, whichever, I understand, shall be the larger amount.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. RADCLIFFE. I may say to the Senator that there is an amendment, which has the support of the committee, which would substitute the amount of \$25 for the present amount of \$50.

Mr. REVERCOMB. I thank the Senator for the information, but I do not believe the fixed amount makes any difference. Whether the penalty be \$25, \$50, or \$1, the sole question is whether or not a man is guilty of a willfully wrongful sale, of desiring to violate the law,

or of having failed to take precautions against violation—or whether he is innocent of trying to violate the law. The sole question to be determined by us is whether the law shall stand, and subject a man to punishment even though he has taken precautions not to violate the law.

The amendment which has been offered, Mr. President, is a very fair one. It would not require that the seller must be proved guilty of a willful act. It would merely give to the seller an opportunity to show that his act was neither willful nor the result of failure to take practicable precautions against the occurrence. In other words, the burden would be placed upon the seller to show that he was not willful in having violated the law, or had not failed to take practicable precautions. He would stand before the court guilty until he showed that he was not guilty. The amendment simply gives him an opportunity to truthfully show his status.

Today I have listened to the interesting and able arguments which have been made. I recall one argument which has frequently been made, namely, that we are engaged in a war. Unhappily we are engaged in a war; but the fact that we are engaged in a serious war is no reason for inflicting upon the civilian population of the country penalties which are unfair, or for passing unfair laws. It seems to me that it is ordinary justice for a man who is charged with violating a law to have an opportunity to come into the court where he has been charged with the violation, and say in effect, "I wish to prove that my act was not a willful one; that I took ordinary care and precaution not to violate the law, and that I have used all reasonable means to maintain my position as an innocent citizen." Indeed, what good purpose will the courts of this land serve; how, indeed, may justice and right be said to guide our courts if a penalty is to be inflicted upon the innocent and the guilty alike?

Some have called this an automatic penalty and seem to feel that because it is automatic that it is right. I do not follow that course of reasoning. A penalty upon the innocent is wrong whether it be automatic or the result of judgment after trial.

To show the practical side, let me say that the merchants of the country—and I am not presenting the cause of any particular merchant—whether they operate large stores or small stores, are employing clerks who are green and untrained; yet if one of the clerks innocently makes an overcharge of a few cents, under the law as it is written today, the owner of the store must pay a penalty of \$50, and he has no right under the present law or the proposed law to say, "I did not intend to commit that act and I took every precaution I could to prevent it from occurring."

It seems to me, Mr. President, that when the Congress undertakes to place upon the civilian population a penalty because of an act, over which in many instances the man has no control, we have gone far afield from the principles

of simple justice as we know them and have known them in this country.

The argument was made that those in the armed services suffer severe penalties. I believe a case was cited of a soldier going to sleep at his post. He did not intend to go to sleep, but he was sent to the penitentiary. I want to say if that is the practice in the Army of the United States today, it is a disgrace and a shame. If a soldier has not the right to show extenuating circumstances, however high his duty may be, and to show reason or excuse for his act, then we had better inquire into such conduct. I know of a similar case in the last war; I know it first-hand. A young soldier went to sleep on post. He had been ill and had missed his sleep night after night because of extremely arduous duties assigned to him. When he was called before a general court martial, the fact of his illness and the fact of his overtime service were presented and heard, and he was acquitted. I hope that that practice still obtains in the Army of the United States.

Returning to the immediate subject before the Senate, I say, Mr. President, that if one commits a criminal act, under the provisions of the law, before he can be convicted of a criminal offense and punished, it must be shown that his act was willful. Yet in order to recover a civil penalty it is necessary to show only that an overcharge occurred, however innocently it may have occurred.

I may point out, Mr. President, that unless the proposed amendment is adopted, there will be put upon a parity those who willfully violate the law and those who unintentionally violate it. I do not believe the Senate wants to do that. Regardless of the history and the use of forfeitures, I do not consider it an argument in this case that a forfeiture may have been provided in other laws. If we let the law stand as it is proposed to be passed without this amendment, remember, the guilty and the innocent will be punished alike.

Mr. ELLENDER. Mr. President—

Mr. REVERCOMB. I yield to the Senator from Louisiana.

Mr. ELLENDER. I believe that the distinguished Senator from Connecticut made it very clear that the main purpose of having written the law as it now stands was in order to have civilians become interested in reporting violations. Does the Senator not feel that adoption of the amendment which is now proposed would remove that incentive?

Mr. REVERCOMB. I do not feel so, because if a customer is overcharged and desires to take the matter into court he is not going to take it into court unless he feels he has been wrongfully overcharged. Certainly, he is not going to take into court a man who, he feels, innocently overcharged him. And if anyone is vicious enough to try to collect from an innocent seller, this amendment protects the innocent. The present law does not.

Mr. ELLENDER. It strikes me that it would certainly remove that incentive. What would happen would be that in order to enforce the act it would be necessary for us to appropriate millions of

dollars so as to provide sufficient watchers to see that the law was enforced.

Mr. REVERCOMB. I do not hold the view of the able Senator from Louisiana, but, even if I did, I would not subscribe to the principle of doing a wrong in order to afford an incentive to others to bring the wrong to light.

We are here passing a law that will absolutely bind the courts. As was stated by the judge—and I was very much impressed by it—when he was inflicting the penalty in the case in Kentucky—he remarked, in substance, that if there was any fairness and any justice in this law as applied to an honest, painstaking, careful merchant, as in the case before him, he failed to perceive it.

The purpose of the amendment is to give to the judge the power to hear the man who may be brought before him and give that man an opportunity to say "I will prove my innocence, and I will prove that not only was the act not willful but I will prove that I took every precaution to prevent it."

Does the able Senator think that when a merchant, whether a merchant in the country, in a town, or in a city takes every honest precaution he should be mulcted in damages, for that is what it is, although called a penalty. Fifty dollars, twenty-five dollars, or one dollar is not to be considered; it is a question of whether or not we ought to take a penny from him. If he is guilty make him pay the full amount, but if he is innocent give him an opportunity to show that he is innocent of the act charged.

Mr. GILLETTE. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Iowa?

Mr. REVERCOMB. I yield.

Mr. GILLETTE. As a matter of interpretation may I ask the Senator what in his opinion would be the interpretation in a court action of the degree of precaution that is defined as "practicable"?

Mr. REVERCOMB. I think that it would be entirely within the discretion of the court to say under the circumstances what was practicable, just as the questions of fact are left to a jury under the circumstances of the case.

Mr. GILLETTE. Would it be the Senator's interpretation that it would be reasonable precaution? Would that be the interpretation?

Mr. REVERCOMB. Yes.

Mr. GILLETTE. I think "practicable" is defined as what is to be put in practice, as feasible, and I am wondering whether that definitive word, that adjective, is the word it is really desired to use.

Mr. REVERCOMB. I believe that the word is properly used. It is a matter of judicial determination of what is practicable under the circumstances of the case presented.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. REVERCOMB. I am glad to yield.

Mr. WHITE. Is it not a fact that it is an application of judicial discretion or the exercise of judicial discretion?

Mr. REVERCOMB. Based on what the judge decides is practicable.

Mr. WHITE. Upon what the judge admits before him as evidence. While I am on my feet may I ask another question?

Mr. REVERCOMB. Certainly.

Mr. WHITE. I am not sure that I understand altogether what is involved here. The amendment, as I understand, transfers the burden of proof from the one charging the offense to the defendant charged with the offense and requires of the defendant that he shall establish by affirmative proof some sort of a negative. He has to prove that what he has done was not done intentionally or whatever the statutory word may be. Is not that a complete shifting of the legal principle that the burden of proof must rest on the person making the charge?

Mr. REVERCOMB. It is indeed a shifting of the principle, but I should like to point out to the able Senator that in the law as it is proposed today the defendant will not be given an opportunity even to defend upon the ground that his act was innocent and that he took every precaution to prevent it. The amendment goes further than the usual burden of proof principle. It puts upon the defendant the burden of proving that he is innocent.

Mr. WHITE. Of proving a negative?

Mr. REVERCOMB. Of proving a negative.

Mr. WHITE. In other words, the amendment, whether one likes it or not, is a relaxation from the rigors of the present law?

Mr. REVERCOMB. It is.

Mr. WHITE. Because under the present law, if the fact is established, and only the fact, there is a conclusive presumption of guilt.

Mr. REVERCOMB. Exactly so; and I think that is the viciousness of the present law.

Goodness knows the merchants throughout this country are harassed enough today with regulations. The seller of goods is required to make report after report. A great threat is constantly held over him by his Government. He lives in an atmosphere of control and threat, and now we are asked to pass a law providing that when he makes a mistake he cannot come before a court and say, "I am innocent, and I can show I took every precaution."

Mr. RADCLIFFE. Will the Senator from West Virginia yield?

Mr. REVERCOMB. I yield.

Mr. RADCLIFFE. Not that it has any bearing on the merits of whether the provision should be in the law or not, but an inference might be drawn which I am sure the Senator from West Virginia does not mean, that this is a new feature being incorporated into the law. The provision is now in the law.

Mr. REVERCOMB. The Senator is correct, the feature is now in the law. It is a bad feature, in my opinion, it should be eliminated, and it will be eliminated if the amendment shall be agreed to.

Mr. MURDOCK. Will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURDOCK. The Senator does not take the position, does he, that this has never been done before in a Federal statute?

Mr. REVERCOMB. Oh, no; I stated that forfeitures had been provided before, but because they exist in other instances does not justify placing them in this measure.

Mr. MURDOCK. Does the Senator take the position that subparagraph (a), under section 205, which provides for injunctions, is also mandatory? The language which I refer to reads as follows:

In any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

Does the Senator take the position that that language is mandatory on the court?

Mr. REVERCOMB. Yes; I take the position that it is mandatory, and I take it we will be relieved from that mandatory language by the amendment now offered.

Mr. MURDOCK. If the distinguished Senator will read the opinion of the Supreme Court in the Hecht case, he will find that the court has held that the language in subparagraph (a) is not mandatory, and that the courts of the United States and the State courts, on the question of an injunction, have discretion, despite that mandatory language. If there has been a decision of our Supreme Court which upholds the position the Senator takes on the other language, I am not familiar with it; but I call his attention to the fact that the only case, in my opinion, which has been handed down by the Supreme Court of the United States on this question, and which is a construction of the language of subparagraph (a) under section 205, holds that the courts do have discretion in granting injunctions.

I feel, if the Senator will be indulgent for a moment longer, that whenever a case reaches the Supreme Court on the grounds the Senator from Kentucky has pointed out, without doubt the Supreme Court will say, in that type of case, that the courts have discretion to do equity.

Mr. REVERCOMB. I am very happy to be advised of the Hecht case and I am glad the Supreme Court placed the interpretation upon the statute that it did in that case, although it may have involved a stretching of language. I remember that case went up from Washington to the Supreme Court, and I am glad to have it brought to my mind. As I recall the case, the statement made by the able Senator from Utah is correct as to the holding. But if that be so, let there be no question of doubt as to the meaning the Senate desires to place upon the language it uses in the proposed statute. Let the Congress, as to injunctions under O. P. A., follow the holding of the Supreme Court in unmistakably clear language. But the Hecht case did not, if I recall rightly, deal with the question of a forfeiture or penalty. It dealt solely with the question of injunctive action.

Mr. MURDOCK. That is correct.

Mr. REVERCOMB. Mr. President, the amendment now under consideration will

prevent a store from being closed, will prevent the infliction of a money penalty if the one charged is innocent, or if he can prove that he has taken reasonable precautions. It affords the defendant an opportunity to present a defense if he has a defense. I say, Mr. President, that appeals to me as simple, ordinary, straight-forward justice. In this instance, I think a great wrong will be done to the merchants and vendors of this country if they are not permitted a day in court to prove, if they can, that the action, the sale, or the overcharge, was innocent, and in addition, that they had taken every precaution to prevent an improper charge being made.

The amendment goes to a very basic principle of right. It gives to the man charged with wrong a chance to be heard, and only by its adoption can one charged with making an overcharge be heard to say that he had taken practicable precautions to prevent the wrong from being done.

If the measure shall be permitted to stand as it is written, without the pending amendment, the guilty would have the same standing and judgment in court with the innocent, and the innocent would suffer equally with the guilty.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 16.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 9, 11, 15, 17, 18, and 19, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment, and on page 59 of the bill in line 10 strike out the colon and insert in lieu thereof a period; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 8, 10, 12, 13, 20, and 21.

PAT McCARRAN,
KENNETH McKELLAR,
RICHARD B. RUSSELL,
WALLACE H. WHITE, Jr.,
CLYDE M. REED,

Managers on the part of the Senate.

LOUIS C. RABAUT,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
KARL STEFAN,

Managers on the part of the House.

The report was agreed to.

The PRESIDING OFFICER (Mr. DOWNEY in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4204, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.

June 6, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, and 20 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 21 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"During the fiscal year 1945 the Secretary of Commerce may delegate his authority to subordinate officials of the Coast and Geodetic Survey, the Weather Bureau, and the Civil Aeronautics Administration, to authorize payment of expenses of travel and transportation of household goods of officers and employees on change of official station: *Provided*, That in no case shall such authority be delegated to any official below the level of the heads of regional or field offices."

That the House insist upon its disagreement to the amendments of the Senate numbered 10, 12, and 13 to said bill.

Mr. McKELLAR. Mr. President, I move that the Senate agree to the amendment of the House to Senate amendment numbered 21.

The motion was agreed to.

Mr. McKELLAR. I move that the Senate further insist upon its amendments numbered 10, 12, and 13 to the bill, request a further conference with the House thereon, and that the Chair appoint the same conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. BANKHEAD, Mr. CONNALLY, Mr. WHITE, and Mr. REED conferees on the part of the Senate at the further conference.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. CHANDLER] for himself and the Senator from Massachusetts [Mr. WEEKS] to the committee amendment on page 10, after line 20.

Mr. TAFT. Mr. President, I do not have any great sympathy with the Price Administration, and I intend at a later time in the debate to set forth the abuses of administration which I think have occurred; but I do feel that price control is an essential feature of our war economy. I think we must have such control if we are to prevent a tremendous increase in prices over and above what they should be.

Mr. REVERCOMB. Will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. In view of the fact that the Senator follows me upon this subject, I wish to say that I agree with him that price control is necessary in wartime. Much as I fundamentally am opposed to fixing prices, I agree with

the Senator that in these times it is justified. But I do not think that Congress, the declarer of policy and the maker of the law, should so have it that the innocent may be made to suffer. That is not necessary and it is not just.

Mr. TAFT. Mr. President, the whole price control, which is extraordinary, can only be justified, in my opinion, in time of war. I am in favor of abolishing it just as soon as we can abolish it after the war. But if we have it, it must be enforced, and the most important enforcement, perhaps, comes in the enforcement of retail prices. That is to save the small country stores, and the chain stores, which sell small and inexpensive articles.

It is said a 2-cent overcharge is nothing. A 2-cent overcharge goes to the very essence of price control. After all, we are trying to hold prices somewhere near stable figures. I think perhaps we should let them go up 5 percent a year. But a 2-cent overcharge is often a 20-percent increase in price. It is essential that the whole scale of prices be adhered to. Probably a 2-cent overcharge is much worse than a \$100 overcharge. Hundred-dollar overcharges are easy to detect, but many small overcharges creeping into the retail stores of the country will bring an end to enforcement of price control.

Let us see what we confront in trying to enforce the law. We have provided for a criminal penalty. Of course, we provided that to convict a man criminally it must be shown that his offense is willful. Incidentally, it is far too expensive and elaborate a process to use against every small store or chain store which happens to violate a price regulation. It cannot be done. The district attorney does not have time to worry with such cases and bring the elaborate proceedings involving not only a fine but imprisonment for the person who is convicted. The act also gives the right to require licenses and to revoke licenses. That certainly is a most drastic penalty and ought not to be employed except in extreme cases. As a practical matter for enforcement against day-to-day violations it is almost a useless weapon.

The third weapon we have given is what is called an automatic fine, and that is what it really is. Congress has said, and the question is, Shall Congress continue to say that if a man persists in violations of the act he shall pay an automatic fine? That is the question. It is a question of whether that is a wise means of enforcing this particular law, and I am inclined to think it is. There is no question of the individual's guilt. He is guilty. The whole basis of the appeal is for individuals who have violated the price regulations. There is no question of civil liability. Violators can be sued. Civil liability does not require willful violation. Civil liability is always based on the fact. We go somewhat further, because this is a semicriminal proceeding. A fine is involved. But it is not going to result in sending anyone to jail. It is going to do no more than penalize an individual for a violation which is not willful. I do not think if

is an extreme measure to take in time of war.

The amount may be excessive. I think triple damages are excessive. The committee reduced the figure to one and one-half times, so that one who can show that he did not commit a violation on purpose can be fined only 50 percent in addition to the overcharge where the overcharge is not more than \$50.

I think most of the complaint which is made in the Senate is based on the theory that \$50 may be a very excessive penalty for a 2-cent overcharge. I do not say that the \$50 penalty may not be too much. Perhaps it ought to be \$25 instead of \$50. But I still believe that about the most effective means of enforcing this law with respect to retail prices and against retail stores is by an automatic fine. That is what we have provided in this particular measure.

There have not been a great number of cases brought. If we make it optional with the judge, if we provide that the defendants can come in and show that they are not to blame, and that then there shall not be any recovery, we will not have any consumer suits at all. The Office of Price Administration might bring suit at times, but there will not be any consumer suits, because no consumer can be in a position to controvert the contention made by the storekeeper that he issued proper instructions to his clerks. Suppose the chain store manager comes forward and proves that he issued instructions not only to his clerks directly but that he sent a man around to all the stores who taught his clerks what to do. That lets him out. How can anyone ever bring a suit with any hope of success against a chain store under such circumstances? An individual cannot go inside the chain store organization and prove what happened in the organization, or whether there was or was not negligence. The evidence is all within the mind of the storekeeper himself.

Mr. REVERCOMB. Mr. President—

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. TAFT. I yield.

Mr. REVERCOMB. The Senator acts as the judge of the act in this case in saying what would be a defense. It is left to the judge under the circumstances to say whether due precautions were taken.

Mr. TAFT. No; the point I am making is that this provision is intended to enlist consumer assistance in connection with enforcement. If the Price Administrator himself must enforce the provision he is going to find it to be an impossible job. It cannot be done. So he wants consumer assistance, and we confer on the consumer the benefit of this automatic fine, but no consumer can possibly bring a suit with any hope of success for an overcharge hereafter if we have this possible defense provided. The consumer cannot answer that defense. We might just as well face the problem, as it is. If the amendment is

adopted it will kill the automatic fine method of enforcement.

Mr. President, in my opinion an automatic fine for violations of price control regulations is the most effective means of enforcing retail price control, and without it the enforcement of retail price control will be seriously handicapped. I do not think an automatic fine for an innocent mistake, if you please, in time of war, is a serious infringement of any man's constitutional rights.

I think the Office of Price Administration is to blame for having pushed this matter further than they should have pushed it, for having brought many of the cases they have brought, for allowing to continue the cumulative business, which we have now eliminated. That may be. But still the fundamental question we have to decide is whether we want to leave in the act this method of enforcement with respect to retail sales.

After all, the fact that overcharges are as small as 5 cents or 2 cents makes no difference. In fact, those violations are far more difficult to punish, they are far more difficult to prevent, and far more destructive of ultimate price control than the \$100 overcharges. So I do not feel that the proposal represents an unconstitutional infringement of rights, particularly in time of war.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WEEKS. The Senator from Ohio has stated that this is an automatic fine, and to me that is a new doctrine. The objective of the Price Control Act, with which every Senator must be in sympathy, is to keep prices down, but the method of achieving that objective is to catch the chiselers and the black-marketeers, and not to penalize the 999 out of a thousand merchants who under the most difficult conditions are trying to keep abreast of the regulations, changes in price, and everything that goes with them, who under the most trying circumstances are bound from time to time to make innocent mistakes. If those mistakes are repeated the merchant, of course, ought to be brought to account, but if an innocent mistake occurs the merchant ought to have his day in court, and the court ought to have some discretion in the matter.

Mr. TAFT. Mr. President, I wish to make one reservation, and that is that I do not know that I would approve of automatic fines in time of peace. There have been some such fines provided in wage-and-hour laws, for instance. But except in time of war when we have extraordinary controls I do not think such procedure can be effectively carried out. That is one reason why I think that the moment we can possibly get rid of the whole thing we ought to get rid of it. It has certain necessary hard features, and will always have such features. We cannot regulate millions of transactions every day without such a result. But if we are committed to this policy, as I think we are and as I think we ought to be, I do not believe the method of enforcement by automatic fine, as tempered by

the committee, as reduced to \$50 for all past offenses without cumulation, as reduced to a penalty of one and one-half times in cases of any substantial overcharge, is an unfair or too harsh a method of enforcing the Price Control Act.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. CHANDLER] on behalf of himself and the Senator from Massachusetts [Mr. WEEKS] to the committee amendment on page 10, after line 20.

Mr. REVERCOMB. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Revercomb
Ball	Gillette	Reynolds
Bankhead	Green	Robertson
Barkley	Guffey	Russell
Bibbo	Gurney	Shipstead
Brewster	Hatch	Stewart
Bridges	Hawkes	Taft
Brooks	Hayden	Thomas, Idaho
Buck	Hill	Thomas, Okla.
Bushfield	Holman	Truman
Butler	Jackson	Tunnell
Byrd	Johnson, Colo.	Tydings
Capper	La Follette	Vandenberg
Caraway	McClellan	Wagner
Chandler	McFarland	Wallgren
Clark, Mo.	McKellar	Walsh, Mass.
Connally	Maloney	Walsh, N. J.
Cordon	Mead	Weeks
Danaher	Millikin	Wheeler
Davis	Moore	Wherry
Downey	Murdock	White
Eastland	Murray	Wiley
Ellender	Overton	Willis
Ferguson	Radcliffe	Wilson
George	Reed	

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Seventy-four Senators having answered to their names, a quorum is present.

The pending question is on agreeing to the modified amendment proposed by the Senator from Kentucky [Mr. CHANDLER] for himself and the Senator from Massachusetts [Mr. WEEKS] to the committee amendment.

On this question the yeas and nays have been demanded and ordered.

Mr. BARKLEY. Mr. President, I simply wish to make a brief statement in regard to my attitude on the pending amendment to the committee amendment. Of course, I am very much embarrassed because the amendment to the amendment is offered by my colleague, and is offered in good faith by him, and is based largely upon an episode which occurred in the city of Louisville, involving one of the most reputable mercantile establishments in the State of Kentucky, the head of which is a very warm personal friend of mine. If I considered that a single episode and an isolated case involving this merchant or this establishment could justify a relaxation in what I think is one of the most vital methods of enforcing price control, I myself would feel inclined to vote for the amendment to the committee amendment. But I do not believe we can relax with safety the enforcement procedure and methods which have been established, and under which the American people have now lived for 2 years and more, without running a great risk

of destroying the effective control of prices themselves.

Now we are appealed to by all sorts of groups, which can cite instances of hardship which have occurred, to vote for a general amendment which would cover their particular situations. I have been waited upon today by personal friends urging me to vote for amendments because of a peculiar situation which affects them and which affects my own State. If I or all of us should vote for all the amendments which particular groups of our friends are asking us to adopt because some individual hardship has occurred to them, we might as well repeal the Stabilization Act, and abolish price control altogether.

Of course, I do not say this for the purpose of indicating that the contrary is the truth; but I think that in this situation, in which we are called upon to deal with a very vital war problem, we must take into consideration the possibilities which may result from any action we may take. We owe it to ourselves and to the country to exhibit the same degree of courage which we would be expected to exhibit if we were involved somewhere else in this war effort and this war drive.

All penal statutes are made in order to curb the 5 percent, it may be, or less, of the population who may be criminally inclined. If it were not for the insignificant minority in numbers who insist on violating the law—every law which carries with it a penal statute—and if it were not for the fact that, beyond that group, there are always men who are willing to take a chance either of violating the law outright or of occupying a sort of twilight zone or a borderland between actual violation and observance of the law, we would not be called upon to pass criminal or penal statutes of any kind. If everyone were willing to recognize the rights of everyone else, we would not need many statutes, and we would not need much government. That is what I think Jefferson meant when he is alleged to have said—although it has been difficult for me to find the exact quotation—that that government is best that governs least. In an ideal state of society, in which everyone recognized the rights of everyone else, there would not be much need for government. But, unhappily, we do not dwell in that sort of society.

So I feel that if we are sincerely interested in curbing inflation, if we are interested also in protecting the consumer, who has some rights in this situation, we must be careful and we must be guarded as to the extent to which we relax the controls and methods of enforcement.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Kentucky yield to the Senator from New Hampshire?

Mr. BARKLEY. I yield.

Mr. BRIDGES. Did I correctly understand the Senator to say that he was unable to find in the works of Jefferson the words which he purported to quote?

Mr. BARKLEY. I do not know that that is very important so far as this amendment to the committee amendment is concerned. But Jefferson's works are voluminous. I have a set of 12 volumes of his works; and a new set, composed of 20 volumes, is soon to come out. So, year by year and day by day, new letters and new treatises by Jefferson on various subjects are being discovered.

Mr. BRIDGES. I was about to comment that I do not think the Senator has studied or followed Jefferson to any great extent in the past 11 years.

Mr. BARKLEY. I will accommodate the Senator by sending him a copy of one of the best speeches I have made in the past 12 years, on Thomas Jefferson. If the Senator will promise to read it, I will mail it to him tomorrow.

Mr. BRIDGES. I notice from the press that the Senator is now an author as well as a Senator, so I am delighted to read one of his speeches.

Mr. BARKLEY. I feel complimented by having the Senator recognize my merits as an author. I am sorry to say that I have received letters from others who are not so charitable toward my authorship as is the Senator.

Mr. BRIDGES. I grant that the Senator is an author, but I am certainly not in agreement with the script which he produces.

Mr. BARKLEY. In the first paragraph of that script I stated that my article was not intended to appeal to chronic Roosevelt haters or chronic Roosevelt worshippers, so the Senator is eliminated in the first paragraph. However, I do not wish to speak on that subject. I am trying to talk about a serious matter.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. OVERTON. To pour oil on the troubled waters, let me suggest that Alexander Pope first gave utterance to the thought suggested by the Senator.

Mr. BARKLEY. I thank the Senator. I should have expected the erudite Senator from Louisiana to have corrected me or the Senator from New Hampshire in any literary error we might have committed. I thank the Senator for setting the record straight.

Mr. President, let us get back to the amendment. I was saying that if we legislate in penal matters so as to make it impossible to deal with the very small and insignificant percentage of people who take advantage of the law, we might as well have no statutes at all.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. It had been my original intention to vote for what I thought was the purpose of the amendment, namely, to protect those who are innocent, and who might inadvertently or unintentionally violate some rule or regulation. I am quite sure that is the purpose of the Senator from Kentucky, and of every other Senator. There is no desire on the part of Congress or of any administrative agency unduly to inflict penalties upon those who unintentionally and unknowingly violate the law or the

regulations. However, I find language in the amendment which frankly I do not understand. The amendment provides as follows:

It shall be an adequate defense to any suit or action * * * if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful—

Then follows this language—

nor the result of failure to take practicable precautions against the occurrence of the violation.

I ask the Senator whether he thinks the words which I have just read are of any legal significance. Have they ever been interpreted by the courts? Could they be applied, or would they open the door to almost anything?

Mr. BARKLEY. That is precisely the point I am coming to in what I had intended to be a very brief discussion of the amendment. I think the Senator from New Mexico is correct in his interpretation of the language.

Mr. HATCH. I have not interpreted it. I do not know what it means.

Mr. BARKLEY. That language would make it difficult for me as a lawyer to know how to interpret it if I were a judge on the bench and were required to pass upon it or to instruct the jury.

Mr. HATCH. I was about to ask how the Senator would instruct a jury on that language.

Mr. BARKLEY. I presume the only way a court could instruct a jury on that language would be simply to read the language itself, because the court would not know what interpretation to place upon it, or what specific act would constitute a lack of diligence on the part of the merchant in taking all practicable steps to avoid a violation of the statute. I do not know. If a judge were to undertake to interpret that language to a jury, he might make an erroneous interpretation, so probably all the judge could do would be to read the language to the jury and leave it to the jury to determine whether the defendant had exercised the proper diligence.

Mr. HATCH. Let me ask the Senator further if, in his opinion, the inclusion of those words would render the entire penalty provisions practically nugatory.

Mr. BARKLEY. I think so. Let us see what would be the result—

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CHANDLER. As I understand, the Senator from New Mexico would vote for an amendment containing the word "willful." Yesterday the Senator from Illinois [Mr. Lucas] offered such an amendment, containing the words "willfully and knowingly" but the amendment did not elicit much support.

The Senator asked what the judge would say. A judge certainly would have the whole case before him, and he would instruct the jury in accordance with the proof which the defendant offered. This amendment provides that it shall be an adequate defense if the defendant proves, first, that the violation was not willful; and secondly, that he took all practicable precautions to avoid the violation. "Prac-

ticable precautions" mean that he read the regulations of the O. P. A.—and, God knows, they are numerous enough—and that he tried to make the regulations known to his employees. That language means that, notwithstanding the fact that he had inexperienced clerks, as many establishments have, he did the best he could to avoid the violation. My colleague did not know that the Senator from New Mexico would vote for an amendment which, so far as I know, nearly every other Senator opposes, and to which the O. P. A. is violently opposed. Such an amendment would insert the word "willfully" in the act.

Mr. BARKLEY. Mr. President, I am not interpreting the purposes or motives of the Senator from New Mexico. I agreed with his statement a moment ago. I fear this amendment as a whole would make absolutely nugatory the effort of the Office of Price Administration to enforce the statute.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. Let me say, in reply to the junior Senator from Kentucky, that it does not make any difference how I vote, or whether any other Senator agrees with me or not. The words "knowingly and willfully" have very well defined meanings in the law. If the amendment is adopted, I suggest that the very able explanation which the junior Senator from Kentucky has just given be incorporated by all the judges in their instructions to juries when they come to decide cases, because he has made it very clear.

Mr. CHANDLER. We cannot prevent judges from making erroneous interpretations of the law.

Mr. BARKLEY. Mr. President, let me pursue my discourse for a moment. Let us assume the case of a corporation which is being proceeded against, either by a customer or by the Price Administrator, for an alleged violation of the law. The proceeding is against the corporation. It is not against the girl at the soda fountain, the perfumery stand, the linen-towel counter, the shirt counter, or the hosiery counter. The proceeding is not against the little girl behind the counter; it is against the corporation. Let us assume that a proceeding is instituted against the corporation for violating a price ceiling. The president of the corporation may come into court and say, "I did not know that my corporation was violating the law." That would be proof that he did not do it willfully. He would not have to introduce another witness up to that point. The burden of proof would be shifted to the Government, and the Government would have to show, by positive evidence, that what the president of the corporation said was not true, and that he did know about the violation.

Mr. CHANDLER. Mr. President, will my colleague yield?

Mr. BARKLEY. I yield.

Mr. CHANDLER. This is the way the law would operate if the bill as it stands were enacted into law: In the case of an overcharge, even though the overcharge were refunded, the seller could be taken to court, and would have to pay the \$50

penalty, and \$25 counsel fees. The defendant would not be able to say a word in his own defense. The fact of the overcharge would be sufficient.

Mr. BARKLEY. I realize that; but I would wager my head against a hole in a doughnut that for every case taken into court in which a merchant had to pay \$50 and \$25 attorneys' fees for an overcharge of 10 cents, there have been a thousand cases which never got into court because no one went to the trouble of bringing a proceeding.

Mr. CHANDLER. Such a case arose in Louisville, Ky.

Mr. BARKLEY. I know about that case. I have already testified, along with my colleague, that the concern in Louisville to which reference has been made is one of the most reputable mercantile establishments in Kentucky. At the head of it is one of my warmest personal friends in the State of Kentucky. If I were to vote according to my sympathies, of course I would be inclined to support the amendment. But I do not anticipate that even that store will be taken into court in the future, because a burned child dreads the fire, and probably it would not be affected in the future by this amendment, because probably it will never again become involved in such a violation.

Mr. CHANDLER. They earnestly asked that we consider the amendment.

Mr. BARKLEY. That is true. They earnestly asked me to consider it, and I have earnestly considered it, and after earnestly considering it I feel that I should vote against it.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BREWSTER. Am I to understand that while the Senator feels that those persons have learned their lesson, and that the case is a just one, he does not wish to afford any relief?

Mr. BARKLEY. Oh, no; the Senator from Maine, with his sharp technical mind, places an interpretation upon my statement which is wholly unwarranted. On the contrary, I do not believe that we are justified in breaking down price control because of something which has taken place in one case. I will not vote for an amendment designed to make a general law to meet a particular isolated situation.

Mr. BREWSTER. If there should be no similar case, there would be no trouble, but if there are to be any more cases like the Kentucky case I shall vote for equal justice to all.

Mr. BARKLEY. Mr. President, it makes very little difference who has the burden of proof because, after all, in each case, the burden of proof is upon the Government. The burden of proof is now upon the Government to show a violation. If the proposed amendment were agreed to the burden of proof would be shifted to the violator of the law, and all he would have to do would be to testify that he had not known anything about the regulation, and then the Government would have to prove that he had known about it.

Mr. CHANDLER. Oh, no. The Government would make the charge, and

would have to offer evidence in support of the charge. We contend that the defendant would then have to come into court and prove, first, that he had not willfully violated the law, and, second, that he had read the regulations and had taken all practicable precautions with the view to avoiding a violation. We would place the burden of proof upon the defendant.

Mr. BARKLEY. The burden of proof is first upon the Government. There are three stages in such a proceeding. First, the Government must prove that there was a violation of the law. Then all the defendant would have to do would be to say that he did not willfully violate the law.

Mr. CHANDLER. No; in this case all the Government has to do is to say in effect, "You overcharged 10 cents." The fine is automatic.

Mr. BARKLEY. It is true that the fine is automatic, but under the Senator's amendment the Government would still have to prove a violation of the law, and the defendant could say, "I did not do it intentionally," and the Government would be required to prove that the defendant had intentionally committed the violation.

Mr. CHANDLER. In the case to which we have referred the court said that he realized there were extenuating circumstances. He said he wished that he could do something for the defendants. He said in effect, "You are fine folks, and you paid back the money, but I cannot help you. You must pay a fine of \$50 and \$25 as an attorney fee."

Mr. BARKLEY. Under the law, not only in the case referred to but in cases before the Federal court, it is necessary to assess three times the amount of the overcharge, and the Federal judge is under the automatic compulsion of doing so, just as the local judge was compelled to do so in the city of Louisville.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CHANDLER. Allow me to read what the judge said in that case.

If there is any element of justice, morality, or right in compelling a respectable and honest merchant, such as the defendant in this case, at such a time as the present, when experienced clerks are scarce and hard to obtain, to pay a penalty of \$50 for an innocent mistake of 10 cents by an inexperienced clerk, in which the employer who is so mulcted had no part whatever, I have failed to discover it.

Mr. BARKLEY. I appreciate the comment of the local judge to the local merchant concerning that case, and I can well understand the human element which entered into it when he was commenting ex cathedra on the automatic operation of the law. We have been talking all day about chicken-feed cases, about 10-cent overcharges.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield in a moment.

We have taken up the time of the Senate today by talking about small matters. However, there are thousands of overcharges which may take place and have taken place, involving real money,

such as \$25, \$50, or \$100. In a case in which the seller had overcharged \$100 or \$1,000, and the Government proceeds against him, and has proved that he made the overcharge, under the proposed amendment he could say, "I am sorry it occurred, but I did not know about it. I did not intend to do it." In 99 cases out of a hundred it would be impossible for the Government of the United States to prove that the defendant had really intended to commit the violation willfully and knowingly.

So, while I am sure that we all wish to do justice in the case of a man who is compelled to pay \$50 or \$75, which may be a hundred times the overcharge, at the same time I think we must not lose sight of the fact that there have been some flagrant violators of this law, and that there will be more of them if we let down the bars so that they can escape merely by saying that they were innocent, and did not know about the law or the regulations, or that the clerk whom they had instructed violated the law by charging a few cents or a few dollars above the ceiling price.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WEEKS. Under the amendment the Government would not have the burden of proof. Under the amendment the defendant would not be innocent until proved guilty. He would have to establish his innocence by showing that he had not been willful, and had not failed to take practicable precautions.

Mr. BARKLEY. In proving that the violation had not been willful the defendant would not be required to bring in everybody in the community as supporting witnesses. The Government would not have to prove that he was willfully guilty. All the Government would have to do under the amendment would be to prove a violation of the law. Then the single unsupported statement of the defendant himself that he had not known anything about the law, that he was innocent and had not willfully committed a violation, would make it necessary for the Government to offset his testimony by proof to the contrary. If the Government should merely prove that the defendant had willfully violated the law, and one witness should swear before the court that he was innocent and lacking in knowledge, such testimony might be considered, in the absence of any contradictory evidence, as proof that the defendant was not guilty.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. STEWART. The Senator does not mean to state, does he, that the adoption of the proposed amendment would change the present rules of evidence?

Mr. BARKLEY. It would change the present rules of evidence in O. P. A. cases, but not the general rule of evidence in the Federal court.

Mr. STEWART. The general rule of evidence would control, would it not, in the trial of any jury case, even though the alleged offense had been an O. P. A. violation?

Mr. BARKLEY. Yes; except insofar as the O. P. A. law itself might restrict requirements relating to the Government. As the law now stands the Government is required only to prove violation.

Mr. STEWART. And as the law now stands the defendant is not allowed to make any defense?

Mr. BARKLEY. He may make a defense that he did not commit the violation, but under the present law he cannot defend himself on the ground that he was innocent, and that he did not know he was violating the law.

Mr. STEWART. That is correct.

Mr. BARKLEY. I believe that the hardships which result from the present law are insignificant in comparison with the hardships which will result to the consuming public if we open up this proposed loophole and allow anyone who desires to violate the law to come before the court and say, "Your Honor, I am sorry it happened, but I was wholly ignorant of the law." Although the defendant may state that he did everything he could to inform himself on the law, and instructed his clerks, and so forth, still the court would have to dismiss the case. In my judgment, there would be hundreds of cases in which persons would take chances in violating the proposed law, but would not do so under the present law.

Mr. STEWART. Allow me to ask the Senator a further question. The case would still be tried under the prevailing rules of evidence. The adoption of the proposed amendment would not change any rule of evidence which prevails at the present time in the trial of cases in the Federal court.

Mr. BARKLEY. Under the ordinary criminal statutes, in a case in which a man has been charged with murder, the Government has to prove some motive for the intentional killing of a human being. It must have been done willfully, with malice aforethought, or something of that kind. The rules of evidence which apply in the trial of ordinary criminal cases do not now apply in proceedings involving the O. P. A.

Mr. STEWART. The Government must make out its case under the law. If the proposed amendment were enacted into law, the defendant would be allowed to interpose the defense that the violation had not been committed willfully, and so forth, as provided in the statute. After all, the whole question would be a question of fact to be decided by the jury, would it not?

Mr. BARKLEY. Yes; but let me ask the Senator if he were on a jury and the Government proved a violation and the defendant came in and by his own testimony alone said he was innocent, that he did not do it willfully and he did not introduce any more evidence, and the Government could not introduce any witnesses to prove that he did it willfully, and the Senator went out as a member of the jury what would he feel that he would have to do? He would have to vote for acquittal.

Mr. STEWART. I will say in answer to that suggestion, that I think the rules of evidence that now prevail would still prevail. The facts necessary to make

out a criminal case must be proved beyond a reasonable doubt, and I think that rule might apply here if this act were passed, because it provides for a penalty.

Mr. BARKLEY. If it is a criminal case those who are prosecuting a man for a violation must prove that he is guilty beyond a reasonable doubt, but that is not the law in O. P. A. cases.

Mr. STEWART. The Senator means it is not the law now.

Mr. BARKLEY. No; a violation of the law itself now carries with it an automatic penalty.

Mr. STEWART. But it is necessary if it is a criminal case to prove beyond a reasonable doubt that the one charged did violate the law.

Mr. BARKLEY. Of course, it is necessary to prove it. If the defendant is given the right to testify that he did not do it intentionally or willfully, in all probability, in 99 cases out of 100 the result will be dismissal.

Mr. STEWART. He would still have to prove his case. His defense would have to create a reasonable doubt.

Mr. BARKLEY. He would not have to prove his defense beyond a reasonable doubt. All he would have to do would be to testify he was not guilty of the violation.

Mr. STEWART. I do not agree with the Senator. I believe that every fact necessary to be established for the conviction of any defendant must be established by the Government beyond a reasonable doubt, and any fact necessary to be established in behalf of the defendant which might clear him must create a reasonable doubt in the mind of the jury.

Mr. MURDOCK. Mr. President—

Mr. BARKLEY. I yield to the Senator from Utah.

Mr. MURDOCK. The amendment before the Senate has nothing to do with a criminal prosecution. The law makes it as specific as it can be made, that in a criminal prosecution the act complained of must be willfully committed, just as in any other criminal case.

I think what the senior Senator from Kentucky says about what would happen under the amendment of the junior Senator from Kentucky is simply that the burden of moving forward with the evidence shifts to the defendant, and after he introduces one syllable of evidence on the question that the act was not willfully committed, and that he had used all practical means of informing himself, then that evidence, uncontradicted, of course, is *prima facie* and under the terms of the amendment an adequate defense.

Mr. BARKLEY. And, of course, if it is an adequate defense, it means a complete defense, and almost an automatic dismissal of the proceedings.

Mr. MURDOCK. Yes; and then the burden shifts back to the Government to overcome the *prima facie* case. As the Senator from Tennessee said, under the rules of evidence, the fact of the defendant's willfulness must be proved by the Government by a preponderance of evidence.

Mr. BARKLEY. That is the rule.

Mr. MURDOCK. That is the rule which would be invoked.

Mr. STEWART. Let me say, since my name has been mentioned, and since the Senator from Utah refers to the rule of preponderance of evidence, that I understand that would control in civil cases, but the rule of reasonable doubt prevails in criminal cases. I wish to state also, by way of correction of my statement a moment ago when I said the Government must make out a case beyond a reasonable doubt—I said, as I recall, that the defendant must establish a defense beyond a reasonable doubt. I meant to say that if the defendant's defense should create a reasonable doubt in the mind of the jury he would be entitled to acquittal.

Mr. BARKLEY. The matter we are dealing with does not involve a criminal prosecution at all where the question of reasonable doubt arises because the amendment says that it shall be an adequate defense to any suit—that is, a civil proceeding—which may be instituted by a customer or by the Price Administrator if the defendant proves that the act was not willful.

Mr. President, let me, in conclusion, read what the District of Columbia Court of Appeals said on the subject in the case of Bowles against American Stores. I read a paragraph from the opinion which was recently handed down:

Occasional hardship to one who honestly and intelligently endeavors to comply with the law is not too high a price to pay for the protection of the whole community against inflation.

That, to me, is the nub of this whole situation. If we try to eliminate all hardship cases which may appeal to us from the standpoint of justice, we run the risk of jeopardizing the entire enforcement of this law. It would, I think, do infinitely more harm to the general public and the whole community than that which might result from hardship in individual cases. For this reason I am unable to support the amendment of my colleague and the Senator from Massachusetts, much as I dislike to differ with them on any matter in which they are concerned, as they are in this.

Mr. WILEY. Mr. President, I have listened to much of the argument and I feel that the situation is one that could be very well cleared up if the officials, the Government attorney, the inspectors, would use a little common sense. I may relate an instance that occurred a good many years ago when as a prosecuting attorney it was my good fortune to have the friendship of a judge who had a remarkably fine legal mind. The judge said that the district attorney's office was the greatest judicial office in the Nation. I asked, "What do you mean?" He replied, "The district attorney must use common sense."

In the instance of violating the law cited by the junior Senator from Kentucky, 10 cents was involved. The reason the amendment was brought up here is apparent, because throughout the land there has been a lack of judicial ability by the inspectors who go forth sneaking into everybody's business and find here

and there a little laxity, a trifling violation. I have no time for those who indulge in overcharging. An hour ago downtown I was told that there can be bought anywhere in New York City all the gas anyone may want if he will pay 36 cents a gallon for it. Why are the inspectors of the O. P. A. not up there investigating those grave violations? The point is, that someone in the case that was cited by the distinguished junior Senator from Kentucky did not show common sense. There was a violation; it was of no significance. The inspector could have found out whether it was intentional; he could have ascertained the facts; and he could have used judgment—common sense. Prosecuting officers represent the people as well as the State. Overambitious or overzealous Government employees do not make for good Government or good morale when they become persecutors. Right now when the Government needs the backing of all the people, it would be well if the head of the O. P. A. would issue an order to his agents and say, in substance, "When you go out and find these apparently unintentional violations, do not bring the man into court, do not get him to hate his Government, do not get him to have the idea that it is the business of the Government to step on business. Rather give him the idea that it is the business of Government to cooperate, to instruct, to enlighten, and to lighten the load of the citizen."

Mr. President, I shall vote for the amendment. I do not think it was necessary for this issue to come up and it would not have come up if the inspectors of O. P. A.—our public servants—had used what the judge to whom I have referred called "common sense." A little more of this quality in public servants would be of great help.

The ACTING PRESIDENT *pro tempore*. The question is on agreeing to the modified amendment submitted by the junior Senator from Kentucky [Mr. CHANDLER] and the junior Senator from Massachusetts [Mr. WEEKS] to the amendment of the committee. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the junior Senator from Ohio [Mr. BURTON], who, if present, would vote "yea." I understand that, if present and voting, the Senator from Utah would vote "nay." I vote "yea."

The roll call was concluded.

Mr. HAYDEN. I have a general pair with the Senator from North Dakota [Mr. NYE], who, if present, would vote "yea." I transfer that pair to the Senator from New Mexico [Mr. CHAVEZ], who, if present, would vote "nay," and I vote "nay."

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from South Carolina [Mr. SMITH], and the Senator from Utah

[Mr. THOMAS] are detained on public business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Texas [Mr. O'DANIEL], and the Senator from Florida [Mr. PEPPER] are necessarily absent.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from West Virginia [Mr. KILGORE] are absent on official business. I am advised that if present and voting the Senator from Nevada [Mr. McCARRAN] would vote "yea."

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Illinois [Mr. LUCAS] are detained in Government departments on matters pertaining to their respective States.

The Senator from South Carolina [Mr. MAYBANK] is absent, attending the funeral of the late mayor of Charleston, S. C.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN] is necessarily absent. He has a general pair with the Senator from Florida [Mr. ANDREWS].

The Senator from Ohio [Mr. BURTON] is necessarily absent. If present he would vote "yea." His pair has been heretofore announced.

The Senator from North Dakota [Mr. NYE] would vote "yea" if present. He is absent because of illness in his family.

The Senator from North Dakota [Mr. LANGER] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The result was announced—yeas 47, nays 27, as follows:

YEAS—47

Ball	George	Russell
Bankhead	Gerry	Shipstead
Bilbo	Gillette	Stewart
Brewster	Gurney	Thomas, Idaho
Bridges	Hawkes	Thomas, Okla.
Brooks	Holman	Tunnell
Buck	Johnson, Colo.	Tydings
Bushfield	McClellan	Vandenberg
Butler	McKellar	Walsh, Mass.
Byrd	Millikin	Weeks
Capper	Moore	Wherry
Chandler	Murray	White
Connally	Reed	Wiley
Cordon	Revercomb	Willis
Eastland	Reynolds	Willson
Ferguson	Robertson	

NAYS—27

Aiken	Guffey	Murdock
Barkley	Hatch	Overton
Caraway	Hayden	Radcliffe
Clark, Mo.	Hill	Taft
Danaher	Jackson	Truman
Davis	La Follette	Wagner
Downey	McFarland	Walgren
Ellender	Maloney	Walsh, N. J.
Green	Mead	Wheeler

NOT VOTING—22

Andrews	Johnson, Calif.	O'Mahoney
Austin	Kilgore	Pepper
Bailey	Langer	Scrugham
Bone	Lucas	Smith
Burton	McCarran	Thomas, Utah
Chavez	Maybank	Tobey
Clark, Idaho	Nye	
Glass	O'Daniel	

So the amendment of Mr. CHANDLER and Mr. WEEKS to the committee amendment was agreed to.

Mr. CHANDLER. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. WEEKS. I move that the motion of the Senator from Kentucky be laid on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion to lay on the table was agreed to.

The ACTING PRESIDENT pro tempore. The question now is on agreeing to the committee amendment on page 10, beginning after line 20, as amended.

The amendment, as amended, was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment of the committee was on page 11, after line 17, to insert:

TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

COTTON TEXTILES

SEC. 201. Section 3 of the Stabilization Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"Any maximum price established or maintained under authority of this act or otherwise for any textile produce processed or manufactured in whole or substantial part from cotton or cotton yarn shall be not less for any specific textile item than the sum of the following: (1) The cost of the cotton or yarn involved, plus the cost of delivery of such cotton or yarn to the point of processing or manufacturing; as determined by the War Food Administrator; (2) the total current cost of whatever nature incident to processing or manufacturing and marketing such item, computed at a uniform figure that will cover the costs of any manufacturer or processor among the manufacturers or processors of at least 90 percent by volume of such item; and (3) a reasonable profit on such item, in addition to the costs computed as provided in clauses (1) and (2). The maximum price established for any textile item under this act or otherwise shall be adjusted to the extent necessary to conform with the requirements of this paragraph within 60 days after the date of its enactment. For the purposes of this paragraph, the cost of any cotton shall be deemed to be not less than the parity price for such cotton (adjusted for grade, location, and seasonal differentials); except that for the 60-day period beginning 120 days after the date of enactment of this paragraph, and for each subsequent 60-day period, if the actual current market value of such cotton at the beginning of such period is lower than such parity price, the cost of such cotton during such 60-day period shall be deemed to be the actual current market value at the beginning of such period, and whenever a change is made in such cost of cotton a corresponding change shall be made in the maximum price for each specific textile item. The method that is now used for the purposes of loans under section 8 of this act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined. For the purposes of this paragraph, the terms 'textile product' and 'textile item' mean any product or item manufactured or processed in whole or substantial part from cotton or cotton yarn by any manufacturer or processor engaged in the manufacture or processing of such product or article from cotton or cotton yarn."

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ELLENDER. What amendment is now before the Senate?

The ACTING PRESIDENT pro tempore. The committee amendment beginning at the bottom of page 11, section 201.

Mr. ELLENDER. What became of section 109?

The ACTING PRESIDENT pro tempore. That is the committee amendment which was just agreed to.

Mr. BANKHEAD. Mr. President, I wish to submit some observations on the committee amendment commonly known as the cotton textile amendment.

I have been and will continue to be a supporter of fair and just price control. I abhor administrative injustices which grow out of failure to observe the intent of the law. I am convinced that my amendment will help stabilize the cost of living. Notwithstanding the outrageous misrepresentations about the effect of my amendment which have been broadcast and otherwise publicized, I believe its passage and administration in good faith will make cotton clothing more abundant and less expensive, and will thereby help prevent inflation.

The O. P. A. could handle the matter administratively if it chose, without any change in the law. Instead, it has resisted all proposals and suggestions for improvement in administration. That is why my amendment is before the Senate today.

The Price Administrator issued orders—and I hope the Senate will grasp this statement—establishing ceiling prices including practically all cotton goods on June 28 and December 24, 1941, and April 9 and 28, 1942.

These ceilings, with very slight modifications on some schedules, have been in effect since that time. The ceiling prices were related to the price of raw cotton; and in explanatory statements at the time when ceilings were established it was stated that the ceiling prices provided more than ample margins for the mills to pay more than the parity price for the cotton. Extracts from the explanatory statements on this subject will be submitted later.

Mr. MURDOCK. Mr. President, will the Senator yield for a question concerning the parliamentary situation?

Mr. BANKHEAD. I yield.

Mr. MURDOCK. Yesterday afternoon the Senator spoke about submitting some amendments to his amendment. Did the Senator do so?

Mr. BANKHEAD. I will do so before my amendment is voted on.

Mr. MURDOCK. I thought the Senator requested that they be printed.

Mr. BANKHEAD. I did not send them to the desk, but I have given them to the press.

Mr. MURDOCK. I thank the Senator.

Mr. BANKHEAD. Mr. President, the farm price of cotton, at the time of the issuance of the last and most important of the price-ceiling schedules, was 45 points above the parity price. The farm price promptly started to decline, and

since May 1942, with the exception of a few times when it barely got above parity, it has been below parity. On April 15, 1944, it was 20.24 cents. On May 15, 1944, not quite a month ago, and the last date on which an official price is available, the price was 19.80 cents. In short, during the last 30 days the price has gone down 44 points, or \$2.20 a bale. On that date the parity price was 21.08 cents. The selling price, therefore, was 128 points, or \$6.40 a bale, below parity on the 15th of last month. While the prices of processed cotton goods selling under a 2-year-old ceiling are perfectly stabilized, and the retail cost of manufactured cotton goods such as dresses and work garments of every kind is steadily increasing in price, the farm price of cotton has been declining.

In order that Senators may better understand that situation, let me say that we have had the ceiling on cotton goods for 2 years. It is still in effect. There has been no change of any consequence in the price received by the mills for cotton goods manufactured by them. So that part of the cotton industry has been stabilized for 2 years. Whatever inflation has occurred in the sale of cotton clothing is not due to any increase in the prices of manufactured cotton cloth and is not due to any increase in the price paid to the producers of the cotton. For 2 years, now, that situation has prevailed, and now the price of cotton is going down. The ceiling price of cotton goods is not changing, but the price of cotton clothing is going up by leaps and bounds. The cost of cotton clothing has assumed the proportions of a national scandal, without any increase in price to the farmers or to the cotton mills.

The O. P. A. claims that my amendment would break the line. That is a claim used frequently against anything which the agency dislikes, whatever the reason for the dislike. Most Senators on this floor are familiar with this O. P. A. claim. I hope our experience has taught us to go behind this kind of defense. It is an all-day sucker that the agency uses liberally in an effort to stop all cries of protest. I do not propose to let it pacify me, or keep me from what I consider my duty; and I know there are others whom it will not pacify.

I propose, however, to examine this assertion that my amendment would break the line by causing a tremendous increase in the cost of living. Before I do that, let me state what the amendment does. To begin with, it covers any textile product made principally out of cotton or cotton yarn. It would require O. P. A. to conform to the Price Control Act by fixing textile ceilings at a price which would reflect parity to the producers of raw cotton. The law requires that this be done, but the O. P. A. admits it has fixed ceilings on several textile items with the price for raw cotton calculated at a figure well below parity. It is apparent, I think, that cotton can never go to parity and stay there for any length of time if the ceilings on textiles are such that they will not enable some manufacturers to pay parity.

I will confine my discussion to cotton. My amendment would require O. P. A. to fix ceilings on textiles at a price that will reflect parity to the producer of cotton. Second, it would require O. P. A. in calculating textile ceilings to cover the manufacturing costs of 90 percent by volume of a textile item. This may seem a bit complicated, but I can clarify it by a simple example. By way of illustration, let me cite denim, a textile item used principally in the manufacture of overalls and other work garments. Under my amendment, the cost to the manufacturers making 90 percent of the denim would be covered. The 10 percent left out would be the highest cost, least efficient mills. I felt we should not try to cover the costs of all the mills. O. P. A. can deal with the 10 percent, if it wishes their production, on a special basis.

The reasons for covering the costs of 90 percent also are simple. What we need today is a greater production of textiles. So long as the present scarcity obtains, O. P. A. will have great difficulty in keeping prices down. This war has shown that the real enemy of inflation is abundance—abundance of production. Look at the experiences with hogs, potatoes, and eggs. One way to keep prices in line is by producing to the utmost. I realize that we cannot have enough of every item to fill all needs. So long, however, as there is a fairly ample supply of a particular commodity, price control will not be too difficult. Under such circumstances, both rationing and price control can be made to work.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. I yield.

Mr. WHERRY. I should like to ask whether that is not also true as to cattle.

Mr. BANKHEAD. It is absolutely true. It is true of any commodity. When there is not enough to go around real trouble begins. Neither rationing nor price control then will prove effective.

The crying need of the textile situation today is more production. The consumption of cotton is declining at an alarming rate. I assume most Members of the Senate know that the word "consumption," when used with reference to cotton, means the grinding up by the cotton mills, not the wearing of cotton clothes by consumers.

Over the 19 months from January 1942 through July 1943 the rate of consumption of cotton in the United States averaged 43,574 bales per working day. During the 9 months of the 1943-44 season, however, consumption has averaged only 39,022 bales per day. The consumption of cotton this season may be 1.4 million bales less than in 1942. No one can say that that is due to the fact that there is not an adequate demand for cotton goods. There is such a scarcity of cotton goods in the stores of this country as has never existed before. There is a supply of raw cotton available for consumption by the mills which

is as great as has ever existed—10,000,000 bales—and still the consumption of cotton, and particularly work clothes and goods for working people, is decreasing day by day. That results, of course, in an increase in the number of bales in the warehouses, because cotton is not being consumed by the mills at the average rate which has prevailed for the past 2 years.

The need for textiles is fully as great as it was in 1942. Shortages of labor account for some of the decline, but only for a part of it. I have become convinced that O. P. A. pricing policies have sharply curtailed the production of badly needed textiles. I see no hope of a change in these pricing policies unless we approve this amendment.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WILEY. I am paying very close attention to what the Senator is saying.

Mr. BANKHEAD. I have noted that, and I appreciate it.

Mr. WILEY. I am interested, first, in trying to understand how, under the provisions of the amendment, the producer would get what he should get for his cotton—presumably parity—and secondly, how under the amendment more cotton would be consumed.

Mr. BANKHEAD. I intend to cover those points, if the Senator will wait without regarding me as discourteous.

Mr. WILEY. Not at all.

Mr. BANKHEAD. My amendment has one other feature. It provides a reasonable profit on textile items. In my opinion, the existing act provides for a reasonable profit on textiles and all other items on which price ceilings are placed, but, as some of us have learned, we do not know our own laws by the time the executive agencies get through interpreting them.

Summing up, my amendment has three major objectives. It has as its primary aim parity prices for cotton; and, in this connection, let me point out that wheat and cotton are the only major commodities that have been consistently below parity. Wheat is now only slightly below parity.

Second, we are trying to increase the production of badly needed cotton clothing and cotton goods. Third, I think the mills are entitled to reasonable profits on the goods they manufacture, and we leave the question of what is a reasonable profit to O. P. A.

The O. P. A. insists that the textile mills are able to pay parity for cotton under existing ceilings. In a written statement presented by the O. P. A. to the Senate Banking and Currency Committee on April 25 last, while hearings were in progress, it was stated:

Is the price of cotton below parity because the textile companies cannot pay more for cotton?

That is a proper question. The O. P. A. itself asked it.

The evidence against such a contention is overwhelming.

That is the statement of the O. P. A. The O. P. A. says that the cotton mills

have the necessary money, indeed, ample funds, to pay parity for cotton.

The evidence against such a contention is overwhelming. The ability of the mills to pay higher prices for cotton, and, indeed, to pay higher than parity prices, can be shown by a comparison, first of all, of mill earnings in the year 1942 with the representative peacetime earnings, and then by a comparison, based on a somewhat smaller sample, of 1943 earnings, with those of 1942.

After some further expressions, the O. P. A. statement continues:

It is thus clear that the earnings of the textile mills are more than ample to permit a rise in the price of cotton to parity and above.

I have the statement before me, if any Senator wishes to see it. It is a printed document.

Mr. President, in the face of that positive declaration by the O. P. A. within the past few weeks, we find the O. P. A. and its advocates and supporters claiming that if parity prices are required to be paid for cotton, we shall have a runaway price inflation, when the O. P. A. has been insisting—possibly before it knew the effect of such a position—that the cotton mills, within their price ceilings for the goods, have ample funds to pay parity prices.

Taking O. P. A.'s statement at its face value, I cannot understand the agency's refusal to adjust the textile ceilings in those cases in which these ceilings are fixed so low that they fail to reflect parity to the farmers and in those cases in which the ceilings are too high.

It is not my contention that the cotton mills are making a profit on all the articles which they manufacture, but it is my belief that on numerous articles which they are now manufacturing under ceiling prices they make a sufficient profit to pay the farmers the parity price for cotton. On the other hand, I am quite sure that there are items, especially low-priced goods used by the working people, with respect to which a larger number of the mills do not have ample funds, within the ceiling prices on the low-cost goods, to pay the parity price for cotton. For that reason, the ceiling fixed over those mills, which has been in existence for 2 years, depresses the price of cotton to a point definitely and injuriously below parity.

To anyone who knows anything about cotton, it is evident that the price of cotton cannot go to parity so long as O. P. A. ceilings do not reflect parity. It is true that the ceilings may reflect parity on some items. At present, mills which pay the lowest prices for cotton, however, tend to set cotton prices all along the line. This is true because there is a fairly ample supply of raw cotton. The mills whose ceilings reflect less than parity are forced to pay less than parity for their cotton. This, in effect, reduces the prices that the mills with more favorable ceilings pay. On an average, the price of cotton has been three quarters of a cent below parity for more than a year, and the mid-May price was a cent and a quarter below parity. As I pointed out a little while ago, the price of almost every other major commodity is well above parity. As a matter of fact, the

index of farm prices is 114 percent of parity. Through the failure of cotton to reach and attain parity, Cotton Belt producers are losing more than \$40,000,000 annually, and the O. P. A. says that the mills have ample funds to pay that amount. I cannot make sense out of O. P. A.'s refusal to adjust prices in those cases in which they admit their ceilings do not reflect parity. Let me put in the record a few instances of what is happening. There is no dispute about these figures. They have been used over and over again by the National Cotton Council without refutation from O. P. A. For example, the ceiling on combed yarn, made from 1 $\frac{1}{16}$ -inch cotton, reflects a price 2.18 cents below parity for the raw cotton. This is \$10.90 a bale. The ceiling on print cloth, drills, denims, chambrays, coverts, towels, gingham, bed spreads, blankets, and corduroys is 1.71 cents below parity in the case of raw cotton. This is \$8.55 a bale. I could give many other examples, but these illustrate my point and clearly show that this is a serious matter to the cotton industry.

The costs of producing cotton are mounting steadily, but the farmer's product on the average remains more than \$5 a bale below parity. The O. P. A. is sitting on the lid, and in so doing is violating the law.

During this controversy, I have asked one question which has not yet been answered. Why does not O. P. A. raise the ceilings in the cases in which they are obviously too low, and reduce the ceilings in the cases in which they are obviously too high? If, as O. P. A. contends, the mills are able to pay parity, my amendment will not cost the consumers of this country a cent. O. P. A. can raise the ceilings that are too low, and lower those that are too high. That would be common sense and good administration. They have been urged to take such action. They have declined to do so, and I understand it has been asserted that they do not have the legal power to reduce ceilings when once established.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. ELLENDER. Will the Senator point out anything in his amendment which would cause the O. P. A. to take a different course with respect to fixing ceilings than what has been provided for?

Mr. BANKHEAD. A few moments ago I made a statement to the Senator from Wisconsin [Mr. WILEY] with reference to the point which the Senator has raised. However, if the Senator from Louisiana insists upon it, I will go into the subject now. I am willing to go into it now.

The escalator clause in this amendment requires the O. P. A. to estimate the cost of producing the different items of cotton. In making the estimate of cost it is provided that the parity price of cotton shall be deemed to be the current cost to the mills. As I have frequently stated, the present price is not up to parity. However, it is intended to require the cotton mills either to pay parity for their cotton, or, under the

escalator clause, to have their ceiling prices correspondingly reduced. We feel sure that by the adoption of the amendment the cotton mills, friendly to the producers of all their raw materials, would cease to profit further by the windfall they have been enjoying for 2 years, and would prefer to raise the price of cotton to parity.

Mr. MALONEY and Mr. MURDOCK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield, and if so, to whom?

Mr. BANKHEAD. I yield first to the Senator from Utah.

Mr. MURDOCK. Would there not be a tremendous windfall to the mills on all their inventories of cotton if the proposed amendment were adopted?

Mr. BANKHEAD. There would not be. The mills have enjoyed the windfall for a long time. The amendment is proposed to end the windfall.

Mr. MURDOCK. The Senator has said that the mills have not been paying parity for cotton.

Mr. BANKHEAD. That is correct.

Mr. MURDOCK. The Senator's amendment provides, however, that in arriving at the maximum prices for textile products the O. P. A. must deem that the mills paid parity. Would not that amount to a windfall?

Mr. BANKHEAD. For 60 days the windfall would be the same as that which had been enjoyed.

Mr. MURDOCK. I am asking the Senator if there would not be a windfall immediately upon the adoption of the Senator's amendment, and continuing during the first 60 days.

Mr. BANKHEAD. I should like to ask the Senator if he would be willing to deprive the poor cotton farmer of benefits in order to deprive the mills for 60 days of the windfall they have always had.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. The Senator from Utah has spoken of inventories of cotton which the mills now have. I may say that there are practically no inventories of cotton at the mills today. The inventories are at the lowest point they have been for many years. The inventories of which the Senator speaks do not exist.

Mr. MURDOCK. Whatever the inventories may be, there would be a windfall, would there not?

Mr. EASTLAND. I doubt it.

Mr. MURDOCK. The Senator from Alabama has stated that there would be.

Mr. BANKHEAD. I said the mills would not be deprived of the windfall. It is a technical question, as the Senator well knows. It is a very insignificant item when considering the entire situation.

Mr. MURDOCK. The Senator asked me if I wished to deprive the poor farmers of the South of any advantage.

Mr. BANKHEAD. Yes.

Mr. MURDOCK. Unless I change my mind by reason of what I hear in the debate on this amendment, I intend to offer an amendment which would raise the loan value of cotton to 100 percent of

parity. There would then be no question whatever of the farmers being benefited instead of the mills and the cotton exchanges throughout the country. I have asked the Senator if he is willing to benefit the cotton farmers and leave the cotton exchanges and the mills out of the picture, and vote for my amendment to give 100-percent parity loans to the cotton farmers of the South.

Mr. BANKHEAD. We will deal with that matter when the Senator offers his amendment. The Senator knows that I will not equivocate or dodge.

Mr. MURDOCK. I know the Senator never does.

Mr. BANKHEAD. However, the present is not the time to deal with the question.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McCLELLAN. I wish to make an observation with reference to the windfall to which reference has been made.

If this amendment will do what it is hoped it will do, the issue will be whether the windfall shall be perpetuated by the inaction of Congress or the O. P. A., or whether we shall act and discontinue the windfall which has been enjoyed for the past 2 years. If the amendment is so worded that the consequences of it will be what are hoped for by the authors of it, we will discontinue the windfall. Otherwise, as the law now is, or as it is being administered, it will be perpetuated.

Mr. MURDOCK. I thought my question was a simple one. Whatever the inventories of cotton may be today, if they were bought for less than parity, and the effect of the amendment were to provide that in the computation of their prices the mills were assumed to have paid parity, I do not see how any Senator could deny that there would be a windfall during the first 60 days.

Mr. BANKHEAD. In other words, the position of the Senator is that in preference to a windfall for 60 days he would continue the windfall indefinitely.

Mr. MURDOCK. No; I want an amendment adopted during the consideration of the pending bill which will guarantee to the cotton farmers of the South 100-percent parity loans, and then no cotton exchange may rob the farmers of parity.

Mr. BANKHEAD. The Senator had an opportunity to present such an amendment during the course of a long series of hearings, but he did not do so. Others besides the Senator in the last few days have proposed such an amendment, when it was evident and clear that its object was to defeat the amendment contained in the bill.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MALONEY. I should like to preface my question by saying that I am very anxious to see the cotton farmer get full parity. Then I should like to say that no man can have a greater appreciation of the sincerity of the Senator from Alabama than I have; and I might add that there are no names or words more magic here than "Bankhead" and "cotton." I hope the Senator from Alabama will not

consider this question presumptuous; it is not intended to be impertinent, and I think it is timely. I should like to know if the Senator from Alabama would accept as a substitute for his amendment the proposal just suggested by the Senator from Utah—a 100 percent parity loan.

Mr. BANKHEAD. Does not the Senator know? Is he merely trying to interrupt my argument?

Mr. MALONEY. I apologize.

Mr. BANKHEAD. I asked, Does the Senator not know?

Mr. MALONEY. I do not know.

Mr. BANKHEAD. I will state to the Senator that I will not accept it for the reasons which I shall state when we come to it.

Mr. MALONEY. I thank the Senator.

Mr. BANKHEAD. I knew the Senator from Utah knew because I told him.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WAGNER. In the last few days before the committee several suggestions were made, one by me that we adopt a resolution providing for a parity loan. The Senator from Alabama was not very kindly disposed toward that particular suggestion.

Mr. BANKHEAD. The Senator heard my statement, did he not, that I did not favor it?

Mr. WAGNER. I do not desire to interrupt the Senator.

Mr. BANKHEAD. If the Senator from New York and other Senators desire that I discuss the subject now, I have no objection to discussing it.

Mr. McKELLAR. Go ahead.

Mr. BANKHEAD. Very well.

Mr. President, there is a vast difference between the farmer taking his cotton to town, going to the cotton buyer, and getting 100 percent parity in money, and taking it to a warehouse, making all the necessary preliminary papers, carrying on the required operations, paying the costs incident thereto, and putting it in storage and then paying so much a month until the market absorbs the cotton.

As the Senator knows, there is another element that enters into this problem. Take a crop of 11,000,000 or 12,000,000 bales of cotton at \$100 or \$125 a bale, and talk about getting from the Treasury of the United States a sufficient amount of money to take over that entire cotton crop and put it in storage. It might involve a billion dollars' worth of cotton, and the money would have to be appropriated from the Treasury of the United States. The Senator is a fair man, and I know he will recognize the difficulties of one commodity relying upon a transaction of that kind; and, of course, other commodities might be added. There is a limit, especially in times of war when the Government is securing its money by selling bonds and other securities in order to prosecute the war. Why make such a suggestion, involving a staggering amount as a loan, when if the pressure were taken off and there were removed the ceiling over cotton, which we think is responsible for its price staying down for 2 years, in the due course of trade cotton would bring its price and the farmers would get their

money? If, however, they are forced to put it in a warehouse and pay the storage charges and insurance, before very long the farmers would have a very substantial loss on every bale of cotton stored because the price could not go up. Heretofore when the farmers put their cotton in a loan it was because the price was down far enough to justify them in believing that they would not only ultimately get out of the market a better price for cotton than they would get under a loan, but there would always be a chance to make a profit by the enhancement of the price of his cotton. No such opportunity as that is afforded the farmer when he puts his cotton into a loan at the ceiling price; there is then no chance for it to go up, not even to go up sufficiently high to cover his charges.

Why should the cotton farmer be treated in that way and be forced to assume obligations which lessen his assets, when the spirit of the law—indeed, the letter of the law—is that ceilings must not be fixed upon any processed agricultural commodity that do not reflect full parity to the producer?

That is what the Senator proposes to do. That is one reason I am opposed to it. It is not a new position for me. The loan program was incorporated in the Stabilization Act last year at the suggestion of the President of the United States. It had been carried before, as most of us know, in another act, simply a loan act, but it was put in the Stabilization Act at his suggestion, and it is one of the best things he has done for agriculture, providing, as it does, that the loans shall continue as mandatory loans for 2 years after the war ends.

I was called into a small conference particularly to discuss the cotton problem. As I recall, the chairman of the committee, former Senator Prentiss Brown, and the Senator from Kentucky [Mr. BARKLEY] were present.

Mr. WAGNER. Does the Senator mean a conference at the White House?

Mr. BANKHEAD. Either at the White House or at the office of Senator BARKLEY. The Senator from New York was there.

Mr. WAGNER. Yes.

Mr. BANKHEAD. It was suggested that there be a 100 percent cotton loan.

(At this point a message from the House of Representatives was received, and Mr. BANKHEAD yielded to Mr. HATCH to present a conference report on Senate Joint Resolution 133, the debate and action on which appear at the conclusion of Mr. BANKHEAD's remarks.)

Mr. BANKHEAD. Mr. President, I assume, from the statement of the Senator from Utah about the exchanges, that he would favor closing all exchanges, the wheat, cotton, and all the other exchanges.

Mr. MURDOCK. Inasmuch as the Senator has mentioned my name, let me say that I do not wish to see anything done that would injure the cotton farmer or any one else who has to do with the cotton industry of the South.

Mr. BANKHEAD. I am glad to hear the Senator make that statement. I have not seen him vote that way many times.

Mr. MURDOCK. I wish the Senator would point to one vote, except on the amendment we are considering, when I have not voted with the South on questions affecting cotton.

Mr. BANKHEAD. I do not know of any vote on cotton we have had.

Mr. MURDOCK. In the more than 12 years I have been a Member of Congress cotton has been frequently before it, and I have never voted contrary to the interests of the southern cotton growers.

Mr. BANKHEAD. Cotton has only been before us in connection with wheat, and corn, and the other basic commodities.

Mr. MURDOCK. I do not know why the Senator should assume that merely because I do not happen to agree with his amendment, I desire to destroy anything. What I want is to be sure that if the people of the United States are to be assessed for parity payments on cotton, the cotton farmer will derive the benefit instead of the mills and the exchanges.

Mr. BANKHEAD. Very well. We will consider that point now. In the first place, the people of the United States are not going to be assessed for parity unless there is adopted some plan such as that of the Senator, under which he wishes to pay them 100 percent on a loan, and lock the cotton up in a warehouse.

Mr. BUTLER. Mr. President, I should like to have the Senator from Alabama yield to me, as I desire to ask the Senator from Utah a question with reference to the remark he just made. He said that he was perfectly willing the farmer or producer should get the parity price, but he did not want any processor or middleman, or words to that effect, to get anything.

Mr. MURDOCK. I did not say that. The Senator is misconstruing my language. I cannot understand why Senators want deliberately to misconstrue the statements of a colleague here on the floor of the Senate. I do not any more want to injure an exchange or a mill than does the distinguished Senator from Nebraska, but I do not want to put a price on the people of the United States, when parity is deemed to have been paid to the cotton farmers, when they do not get it, but it is held by the exchanges or the mills.

Mr. BANKHEAD. Then the Senator should vote for the amendment. That is exactly what we are trying to accomplish.

Mr. MURDOCK. If the Senator can convince me that that is what will happen, I shall vote for his amendment.

Mr. BANKHEAD. As the old hymn says:

While the light holds out to burn, the vilest sinner may return.

Mr. MURDOCK. I am interested in the Senator's statement, and I shall sit here to the end of it.

Mr. BANKHEAD. I appreciate that.

Mr. BUTLER. I am sorry if I misunderstood the remark the Senator from Utah made, and he does not need to answer the question, but it seems to me that the processors, the merchandisers, those who deliver service—I mean real service—are entitled to a share of what the

commodity ultimately brings, just as is the man who plants; and I am one of those who plant and raise commodities. I was rising to make objection to the understanding I had of the remarks of the Senator from Utah.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield while I ask a question of the Senator from Utah?

Mr. BANKHEAD. I yield.

Mr. WHERRY. I was very much interested in the statement the Senator just made about the farmer getting the parity price. I agree with him. I am wondering whether he would be in favor of continuing to pay the consumer's subsidy, which in the case of meat goes to the processor, which in turn goes to the consumer, but does not go to the producer, and therefore our cattle producers are not getting the parity price.

Mr. MURDOCK. Mr. President, will the Senator from Alabama yield so that I may answer the question?

Mr. BANKHEAD. I yield.

Mr. MURDOCK. I happen to be in the cattle business in a small way, and I happen to know that the cattle producer is not suffering greatly as a result of present prices. This is what I favor: After the experience of the O. P. A. officials with food subsidies, I am willing to take their word that it is cheaper for the people of the United States to pay a subsidy rather than raise prices all along the line.

Mr. WHERRY. If the Senator from Alabama will yield for another comment, that does not answer the question I asked the Senator from Utah, and I am very serious.

Mr. MURDOCK. I also am serious.

Mr. WHERRY. It is my feeling that not a dime of the consumer subsidy that is paid to the processor of meat reaches the producer, and because of that fact the cattle producer is not getting for his product within a dollar and a half a hundred of what he should get under the Stabilization Act. I am asking whether the Senator feels that we should continue to pay the consumer subsidy on meat, when that subsidy does not go to the producer.

Mr. MURDOCK. The only subsidy in which I am interested is the subsidy that is paid under the language of the Price Control Act, and that subsidy is limited to boosting production. If the men administering the O. P. A., after 2 years of experience—men like Fred Vinson, men like ex-Justice Byrnes, of the Supreme Court, and men in the O. P. A. who have handled this matter for 2 years—tell me that, in their opinion, it is cheaper to pay the subsidy than to raise the price of meat, I am willing to take a chance on their judgment.

Mr. WHERRY. The only authority given to Judge Vinson, whom the Senator has mentioned, to pay the consumer subsidy on meat is the authority in the act behind the producer's subsidy which the Senator just mentioned, is it not?

Mr. MURDOCK. The act reads as I stated, and I think it is susceptible of the construction which has been placed on it by the O. P. A. If it were not sus-

ceptible of that construction, then the courts would be the place to which to go for an interpretation of the act, and the interpretation would be made by those who have a right to make it.

Mr. WHERRY. I think we should come to the rescue of farmers, such as the cotton farmer, and see to it that they get parity. It was never the intention of Congress, in the Price Stabilization Act, to permit a directive issued by one of the Government departments to set a maximum ceiling price lower than parity or what the support price was, or what the product brought any time between January 1 and October 15, 1942. Yet, in the face of that law, directives have been issued which have reduced the parity price, not only of one commodity but of many, and those who were supposed to get it have not gotten it because of the interpretation of some of the heads of the departments.

Mr. MURDOCK. I do not agree with that statement.

Mr. BANKHEAD. They have fixed ceiling prices on cotton which have forced the price below parity.

Mr. WHERRY. I think the distinguished Senator from Utah made the statement here, and I take it at face value, that he wants the farmer to get the parity price 100 percent, and I agree with him. That is why I think Congress should take some action. We have to say what Congress means, that the prices are not to go below the ceiling price, that the officials have to come up with a support price. If the pending amendment would do that in connection with cotton, I think it is one way in which Congress can pass legislation that will stop a directive being issued that would set a ceiling price lower than the parity price that was intended by the Stabilization Act.

Mr. BANKHEAD. Mr. President, I submit three amendments to the pending bill, which I ask to have printed and to lie on the table. I have previously spoken to the chairman of the committee concerning the amendments.

The PRESIDING OFFICER. Without objection, the amendments will be received, printed, and lie on the table.

Mr. BANKHEAD. If the Senate is about to take a recess now, I wish to have it understood that I shall have the floor when the Senate reconvenes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BANKHEAD. I should like very much to appeal to Senators not to proceed immediately after the reconvening of the Senate tomorrow with discussion of various subjects which occupies so much time.

Mr. BUTLER. Mr. President, I do not wish to impose on the good nature of the Senator from Utah [Mr. MURDOCK] at this time, but when the debate is resumed tomorrow I wish he or some other Senator who is not in agreement with the committee amendment now under consideration, would come prepared to propose a plan of applying the consumer subsidy to the problem which is now under discussion.

Mr. MURDOCK. Mr. President, if the Senator is directing his remarks to me, my answer is that the Senator has the same right that I have as a Senator. He is a very distinguished and able Senator, and if the type of legislation he has suggested is needed, then I ask him why he does not present it himself? Why should he "let George do it" when he knows just what should be done?

Mr. BUTLER. I want some Senator who opposes it to present something constructive in place of the amendment which is under consideration. If a consumer subsidy is good for the beef producer and the dairy farmer, a consumer subsidy ought to be good for the rest of the people of the country who are wearing cotton clothes; but it simply will not work. I am not proposing it, because I do not believe in a consumer subsidy, anyway, but if it is good enough for the farmers of the West it ought to be good enough for the farmers of the South. So I ask that Senators who are opposed to the Bankhead amendment submit a consumer subsidy plan to take the place of the plan proposed by the so-called Bankhead amendment.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. The distinguished Senator from Nebraska is absolutely correct. The War Production Board says it is absolutely essential that the production of textiles be increased; that, if textile production is not increased to the levels of 1942, it will lead to serious military difficulties. I think Senators who oppose the pending amendment should offer a plan which will increase textile production to meet the dire war needs of this country. If the pending amendment will not do it, Senators who oppose it certainly should have something to offer in its place.

Mr. WHITE. Mr. President, I understood the Senator from New York to state that an agreement had been made to take a recess now until tomorrow.

Mr. WAGNER. Yes.

Mr. WHITE. The Senator said the agreement had been made, but I do not know what action has been taken on it. Has an order for a recess been entered?

The PRESIDING OFFICER. No order to that effect has been entered.

Mr. WHITE. I have no objection to a recess being taken at this time in view of the fact that the Senate has been in session for a substantial length of time and that the Senator from Alabama has been talking at some length, but I wish to express the hope that we make as much speed as is possible with the pending legislation. I do not feel that up to now it has moved with real celerity.

Mr. WAGNER. What would the Senator from Maine suggest be done which would lead to greater rapidity of action?

Mr. WHITE. I am not suggesting anything that would lead to greater rapidity of action. I express the pious hope, however, that all of us may do what we can to bring about a speedy determination of consideration of the proposed legislation, and I leave the matter now with that expression of hope.

Mr. WAGNER. May I suggest that we have less talk. Is that the suggestion which is also made by the Senator from Maine?

Mr. WHITE. I do not suggest that any Senator talk less than he desires to, but we are now proposing to close the day's session somewhat earlier than usual, as we did yesterday. I think we could perhaps sit longer each afternoon, and I hope we proceed more rapidly so that we can conclude the pending legislation before the week terminates. I am not complaining about anyone in particular. I am simply offering a general observation.

MESSAGE FROM THE HOUSE

During the delivery of Mr. BANKHEAD's speech,

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 133) to extend the time limit for immunity.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 2928. An act to amend the act entitled "An act to fix the hours of duty of postal employees, and for other purposes," approved August 14, 1935, as amended; and

H. R. 4464. An act to increase the debt limit of the United States.

EXTENSION OF TIME LIMIT FOR IMMUNITY IN THE CASE OF CERTAIN OFFICERS—CONFERENCE REPORT

Mr. HATCH. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. HATCH. Mr. President, I understand a message has just come over from the House of Representatives with the conference report on the so-called immunity joint resolution.

On behalf of the Senate conferees I present the conference report at this time and ask that it be now considered.

Mr. DANAHER. Reserving the right to object, I ask a moment to glance at the report.

Mr. HATCH. Of course, the Senator may object, if he desires to do so.

Mr. DANAHER. I want to ascertain whether the conference report as agreed to carries section 2 of the joint resolution as passed by the Senate.

Mr. HATCH. It does.

Mr. DANAHER. I have no objection.

The PRESIDING OFFICER. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 133) to extend the time limit for immunity, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as

follows: In lieu of the matter proposed to be inserted by the amendment of the House, insert the following:

"That effective as of December 7, 1943, all statutes, resolutions, laws, articles, and regulations, affecting the possible prosecution of any person or persons, military or civil, connected with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, or crime or offense against the United States, that operate to prevent the court martial, prosecution, trial or punishment of any person or persons in military or civil capacity, involved in any matter in connection with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, or crime or offense against the United States, are hereby extended for a further period of six months, in addition to the extension provided for in Public Law 208, Seventy-eighth Congress.

"Sec. 2. The Secretary of War and the Secretary of the Navy are severally directed to proceed forthwith with an investigation into the facts surrounding the catastrophe described in section 1 above, and to commence such proceedings against such persons as the facts may justify."

And the House agree to the same.

Amend the title so as to read: "Joint resolution to extend the statute of limitation in certain cases."

And the House agree to the same.

CARL A. HATCH,
ALBERT B. CHANDLER,
HOMER FERGUSON,

Managers on the part of the Senate.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
CLARENCE E. HANCOCK,

Managers on the part of the House.

Mr. HATCH. Mr. President, some Senators have asked that I explain the conference report. This is the report which relates to the extension of the statute of limitations, commonly referred to as the Admiral Kimmel and General Short matter. The Senate passed the joint resolution yesterday, and the conferees met this morning. After a conference with the House conferees we agreed in substance upon the Senate bill, with this difference: The House measure as it passed yesterday provided for 3 months' extension. The Senate bill passed yesterday provided for 1 year extension. Manifestly the House insisted upon 3 months, the Senate conferees insisted upon the year, and as a compromise we agreed upon a 6 months' extension. The other matters were merely clarifying.

Mr. WHITE. Was the action of the Senate conferees unanimous?

Mr. HATCH. It was unanimous.

Mr. DANAHER. While the Senator is explaining the conference report, he will make clear, I am sure, that the conferees have retained into the conference measure section 2, which we had written into the bill in the first place.

Mr. HATCH. That is correct. The only change made was to strike out the word "discretion" and the word "thereafter," so that the action taken in the way of filing proceedings shall be such action as may be justified by the facts. That is the only change.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

a lease do not mean anything. We take those functions away from them.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I am sorry. I promised the Speaker not to yield further.

Then, where a person owns a piece of property and seeks to get possession of it to live in it himself the O. P. A. has a regulation under which if you have rented your house this year and you want to get it back yourself to live in it you have to convince them of a whole lot of things and comply with numerous regulations before you can get your house to live in yourself.

Also, in the case of sales of real estate. Where there has been a sale in good faith there has been a great deal of difficulty in getting possession of the property when it has actually been sold and the purchaser wants to get possession. There ought not to be any difficulty about that.

We also take the hand of the O. P. A. off of the situation where a person wants to tear down a building or for the purpose of remodeling, or for the purpose of restoring another building. We also have put in a provision that I think is quite important, that where a person, wanting to help the war effort, has taken in two or three roomers he ought to have the privilege of still having his home as his castle and be able to put those people out when he was tired of them or did not like the color of their hair, or did not like them coming in drunk at 1 o'clock in the morning. But O. P. A. says, "If you rent more than two rooms in your own private dwelling you cannot get rid of those tenants unless the O. P. A. says you can get rid of them." That is an invasion of a man's home that this Congress never intended; that we never gave any authority for. There is nothing in the act that would justify it. Yet it is being done to your constituents and my constituents.

Those are some of the things we are trying to correct.

Take the next question of what is known as security payments. If there is anybody here from Connecticut I can mention that area. In Connecticut they have a rule that is very old, that when a piece of property is rented the owner collects the first and last month's rent, the last month's rent being held as security deposit against default in the payment of rent, or against defacement of the property. That is an old custom. The O. P. A. says, "We are going to change that custom." But the Congress has said that O. P. A. must not change any of the regular customs of doing business. The O. P. A. says that Congress qualified that.

So many of these provisions that you put in the act are being constantly overruled, constantly violated by the O. P. A., and they make rules and regulations themselves that have the effect of law. All we want to do is to fix it so that O. P. A. cannot do those things which the Congress never intended them to do and never gave them any authority to do. There is nothing stealthy, nothing skulking about it.

Now, on the question of getting possession of property that has been sold: If you sell a piece of property to me, and I

want to get possession of it from the next man over there who happens to be living in it, I cannot go to him and say, "I want to live in my own house." I have got to go to the O. P. A., and they say, "Oh, did you buy it? How much cash did you pay?" I say, "Twenty-five percent." They say, "Oh, no. You have got to pay 30 percent. You cannot buy that house." But now they have reduced it to 20 percent after a great deal of complaining. I go back and I borrow that 20 percent from my bank, and I come back and I pay that money down. I say, "All right, Mr. O. P. A. I want my house. I paid 20 percent." They say, "Where did you get that 20 percent?" "I went down to the bank where my credit is good, and I borrowed it." They say, "Oh no; you cannot borrow it from the bank and buy a house with it. That is not your own money. That is money you borrowed."

That kind of utter absurdity is something that your people and my people have been suffering from, long suffering, for over a year. Now, we are not doing anything stealthy about it, but we want to say right out in the open that those things ought to be corrected. We do not think they have anything to do with price control; we do not think they ought to have that authority. We know Congress never gave them that authority, and we want to see to it, if you did not give them that authority, that we prohibit them from exercising it.

We provide some court relief from these O. P. A. decisions. That is quite an intricate problem, Mr. Speaker. I hope the Members are going to give it careful study, because we can make a big mistake in this court review. Our committee has tried very studiously not to make a mistake about it. We have provided in the first place that a protest can be made at any time, not limited to this period that is now in the act, but when a protest has been made a party can go to court, and we have provided that he may go to either the district court or the Emergency Court of Appeals; we give him the option of going to his district court because it is often very inconvenient for some of our constituents to go to the Emergency Court of Appeals; so we provided that he may go into the district court.

We further provided that the regulation must remain in effect in the event there is an appeal to the Emergency Court of Appeals so that there will not be a variety of decisions all over the country. If you gave the right to appeal from these decisions to every district court in the United States, you would have a number of different decisions, and you would have different kinds of price control all over the country. We have guarded against that in these amendments, but we give them court review.

There is a ridiculous situation relative to court review that has recently been affirmed by the present Supreme Court of the United States. In our original Price Control Act we fixed it so that the validity of these regulations could not be raised in any way except in the Emergency Court of Appeals, but we also fixed it so that a person might be prosecuted for violating the provisions of the act,

and it so happens that we have now placed ourselves in the ridiculous position where a person can be indicted, tried, and convicted on a void regulation of the O. P. A. and is not permitted to open his mouth in the courts to say that he is being sent to jail on a void regulation. We have undertaken to correct that by an amendment. The Committee on Banking and Currency has also attempted to correct it. The way they have done it is to say that the person cannot raise that point until after he has been tried and convicted. We do not think a person ought to be put to that disgrace, so we provide that he may raise the point as a preliminary proceeding, that when he does raise it in the district court the proceedings must halt and the matter of the validity of the regulation be determined by the Emergency Court of Appeals. In this way you will not have a diversity of decision.

Another matter we have sought to correct is the question of triple damages. Under the O. P. A. Act as the law is written now a person may sue for \$50 or triple the amount of the overcharge. To illustrate why that is wrong I will give you a case. An old lady out in California was renting a room and she happened to charge 50 cents a week more than O. P. A. said she ought to rent it for and so the tenant sat on that poor lady's furniture for 30 weeks. Then he sued her for \$1,500, and he had the right to recover it under the law. Or let us take the case of a grocer: One of his clerks gets mixed up on the price of a can of beans and charges 11 cents instead of 10. Because of that overcharge of 1 cent the consumer has the right to sue the merchant for \$50. We have undertaken to say that there can be only one suit, either for the actual damages or for \$50, whichever is greater, on the same contract. The Committee on Banking and Currency has, I think with all due deference to them, and I know they put a great deal of time on it and have done a studious job, done an honest job. I know they think what they have got is right, but we just happen to differ about it. What the Banking and Currency Committee has done is, in my judgment, to make this thing worse than it is now because as it is now the consumer is the only person who can sue where the goods are sold for consumption, such as the case of a can of beans, but the Committee on Banking and Currency has fixed it so that if the consumer does not sue, the United States may sue. If the Banking and Currency Committee's amendment passes, these O. P. A. lawyers who have got to find something to do—just mark my words—are going to be suing your constituents all over the United States for selling a can of beans for a cent too much or a pound of butter for a couple of cents too much. We never intended to penalize the people more than was necessary to stop the black market. Certainly we do not want to penalize the innocent as well as the guilty; so we have undertaken to correct that.

Mr. Speaker, you have heard a lot of talk about the kangaroo courts—and I am not going to be able to cover all of these matters, but I will go as far as time

permits. As to the kangaroo courts, we have set forth in the O. P. A. Act exactly the methods by which your constituents and mine may be punished for violation of the law, but the O. P. A. has not seen fit to use that punishment except in rare instances. They set up their own system of courts. They haul a person before them and say, "You sold too much gasoline last week" or too much butter, or something else, "so we are going to try you." Who tries them? An officer paid by the O. P. A. Who sits as judge? Another officer employed by the O. P. A. A third person employed by the O. P. A. acts as prosecutor and another officer employed by the O. P. A. is the witness. So they try your constituent and mine in the kangaroo courts and have gone so far as to take away their right to do business for the duration of the war. Did you gentlemen mean to do that?

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I have declined to yield; I made the promise that I was not going to yield. I am sorry.

If you did not mean to do that you had better do something about this rule that is coming up today. I do not want to do it by stealth. I do not want to do it by skulking around, but I want to lay it right on the table: If you do not adopt this rule and give yourselves a chance to pull your constituents out of this hole you put them in somebody is going to ask you about it when you get back home; somebody is going to ask you why you did not give them relief when you had the chance, as you are going to have to vote on the subject.

So we have prohibited the O. P. A. from setting up or operating these kangaroo courts and have in effect said to them, "You go back to the courts of the land where we told you to go when we enacted the law."

There is one other provision in here that I know you folks want and that has to do with putting certain restrictions on the War Labor Board. Under the present situation the War Labor Board may certify to the President that the owner of a business has refused to comply with the Board's order, and the President may then take his business away from him without any resort to the courts; and the courts here in Washington just last week decided that under those circumstances the very shirt may be taken off your constituent's back and he is denied the right of access to the courts of the land set up by the Constitution under which you live and which you swore to sustain and support. Are you going to do anything about that? If you do not adopt this rule you cannot do anything about it. I am giving you warning now because I know you Republican fellows have promised the people of the country relief from this bureaucracy but you will not be able to do that if you vote against this rule, you will not be able to let your constituents go into the courts of the land and have the courts determine their rights.

We have not undertaken to destroy the control of the War Labor Board over these situations but we have said that when the owners of property go into

court to test the right of the War Labor Board to issue an order against them, that their property shall not be seized and taken away from them unless the courts shall determine that the use of the property is necessary for the conduct of the war.

In other words, we have taken this discretion from Executive hands to seize a man's property and put it in the hands of a court where it belongs, so that the court may say whether that property is necessary for the conduct of the war.

Mr. Speaker, I have consumed so much time that I hesitate to use any more. I thank the Members for the patience they have shown toward me. However, there is one other amendment in connection with the War Labor Board that I think is very essential. That amendment would have prevented the disgraceful situation that we now find the Government in with respect to the seizure of Montgomery Ward.

The National Labor Relations Act provides that that Board shall determine the question of the bargaining unit and that was what was sought to be done in the Montgomery Ward case; but the War Labor Board, notwithstanding that, ordered them to go ahead and sign a contract for an extension or something of the kind. We provide in this amendment that when the question arises as to who is the bargaining agent of employees, then the War Labor Board shall not act on that matter until the National Labor Relations Board calls an election, or does whatever is necessary, and certifies to the War Labor Board the bargaining agency. That is a very essential amendment and will prevent a great deal of confusion and, as I said before, it would have prevented the debacle in the Montgomery Ward matter.

In conclusion, let me say that in this report are certain amendments which have to do with wage stabilization. I personally, and a number of others, have always believed in the across-the-board stabilization. Those amendments merely write into the law the Executive order of the President which stabilized wages and admonishes the War Labor Board that it must observe those regulations. In other words, we write into law what is already law by Executive order. I realize that there is not much sentiment for that subject and it is not my purpose to offer those amendments to stabilize wages; so that the only amendments in that connection that I expect to offer will be those amendments which relate to court review and which relate to prohibiting the War Labor Board from exercising certain functions that are clearly in violation of the Constitution.

I regret that I have taken so much of your time but, in my humble opinion, it is worth while for you to consider these amendments and I hope what I have said has clarified your thinking some and given you some information that may be worth while.

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SABATH. Mr. Speaker, I call up House Resolution 582, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 9 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order any amendment which may be offered to the bill embodying any of the sections or paragraphs contained in the bill H. R. 4647. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. The gentleman from Virginia [Mr. SMITH] timed his question of personal privilege, on which he obtained 1 hour to speak, very nicely. Of course, the gentleman is very resourceful and I regret that he has been unjustly criticized.

I have read the last report of his select committee, which has expended \$50,000 pursuing its studies and investigations and I find that two members of the Smith select committee have submitted and signed a minority report.

The gentleman from Virginia [Mr. SMITH] also states that he is anxious to save the Republican Party and the Democratic Party by giving them an opportunity to vote on some of the provisions of his bill. This, I am sure, will be appreciated by both.

Mr. Speaker, the resourceful gentleman from Virginia [Mr. SMITH] has explained really what the rule aims to do.

The rule itself provides for 9 hours' general debate and is an open rule without the amendment agreed to in the Rules Committee.

I am placed in a rather embarrassing position in calling up this rule, because I feel it is a dangerous rule to adopt.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Do I understand that the gentleman appears here as chairman of the Rules Committee in opposition to the rule which the committee directed him as chairman to report?

Mr. SABATH. I am only saying what I believe the rule will do. I am not opposing it.

Mr. SMITH of Virginia. The gentleman is chairman of the Rules Committee?

Mr. SABATH. Yes, I am, and I have been directed to report this rule.

Mr. SMITH of Virginia. Will the gentleman answer the question?

Mr. SABATH. I refuse to yield any further.

Mr. SMITH of Virginia. I thought the gentleman probably would.

Mr. SABATH. Mr. Speaker, I want to be notified when I shall have consumed 10 minutes.

Mr. Speaker, I am doing my duty as chairman of the Rules Committee. Ever since I became chairman of that committee it has not been my wish that it acquire greater jurisdiction than it has. In my opinion the power and the jurisdiction of that committee are great enough without violating the satisfactory precedents that have been in force for many, many years.

Mr. Speaker, I want the Members to be very familiar with what this rule does. It permits any amendment and it also makes in order any amendment contained in the bill of which the gentleman from Virginia spoke, the said bill containing some 57 pages. None of the members of the Committee on Rules ever read that bill or knows what it contains. By the way, may I mention that Mr. SMITH's select committee's report does not come in unanimously. There is a minority report filed against it.

The gentleman from Virginia [Mr. SMITH] has called attention to many, many shortcomings, and, perhaps, probable abuses; but I am not here to defend the O. P. A. as to some of its regulations. I want it to be understood that I am in favor of granting a rule for consideration of H. R. 4941; but I feel the rule as reported goes far afield and will set a precedent which will plague the House in the future. Of course, any germane matters would be permitted under the broad rule that we usually report, but in this instance any matter, regardless of its germaneness to the bill before us, could be and would be in order. Just think in what position it will place the Members and the House in the future if such a policy is pursued. As I have said, I have no personal interest in the matter. I assure you I am only trying to do what I believe is the right thing in preserving the orderly proceedings of this House.

From the beginning of my service here I have fought against such conditions as prevailed under Speaker Cannon, under which conditions the membership of the House was restricted and precluded from voting on many measures. Ever since I became chairman of the Committee on Rules I have urged liberal rules. I am proud to say that only two or three times since I have been chairman of the Committee on Rules have I brought in closed rules, and that was done for the Committee on Ways and Means in connection with revenue matters with the approval of both the majority and the minority of that committee. I am pleased that the House has invariably sustained my position and recognized my aim to protect against any improper legislative procedure. Unfortunately, this rule is not only an open one but it would really, I fear, endanger many liberal rules and deprive all of the legislative committees of their rights and functions by making in order bills that have not been acted upon favorably, or at all, by legislative com-

mittees and any Member could come in with a bill and ask that it be substituted for a committee bill or the provisions in his bill should be made in order regardless of whether or not they were germane to a bill.

What I am doing is simply calling the attention of the House to this matter so that it will realize and recognize the effect that it might have in the future. So long as I am chairman of the Committee on Rules I shall retain to my self the right and the privilege of opposing rules which I feel are not conducive to orderly legislative procedure of the House. I am placed in a rather embarrassing position in reporting this rule but I am carrying out the action of the committee, regardless of the criticism of the gentleman from Virginia [Mr. SMITH] and the gentleman from New York [Mr. FISH] and the gentleman from Georgia [Mr. COX] for my trying to protect and preserve the rights of legislative committees.

The gentleman evinces great interest in small businessmen because they are by O. P. A. precluded from increasing their prices. I am sorry that he did not yield to me with regard to his statement in this respect, but I presume he meant to say that people should not be precluded from taking on for sale higher priced merchandise than they originally handled. I am not quite sure how far-reaching this restriction is, but I do know that even retailers are not selling below cost, and from reports I have received nearly all of them are better off today than ever before, and this notwithstanding the restriction to which the gentleman refers. The people who are mostly interested in the elimination of price ceilings, as I am informed, are the oil operators and the real-estate operators who obtained valuable properties and apartments after the Republican crash in 1929 for, as I have said, 10 and 15 cents on the dollar. To them an increase of rents has been denied because it is shown that they are obtaining a handsome income on their investments. Right here I wish to say with respect to the complaints against the O. P. A., some of them have been unjust, but some people have been unfairly treated; there have been many harsh penalties; many unnecessary court proceedings have been commenced and many fines levied. I am also satisfied the O. P. A. is not being conducted as efficiently as it should be, but, on the whole, I believe that the Administration and the legislation aims to hold down excessive prices, the gouging of the consumer, and prevent inflation. However, I feel that even if the gentleman from Virginia [Mr. SMITH] or anyone else had been placed in charge, he could not have obtained greater efficiency and eliminated more of the errors and unfair administration of the act.

I concede that perhaps some of the prosecutions should not have been commenced, that some people should not have been hauled to court and damages exacted. I myself originally advocated putting everybody on his honor, especially as to rationing, but it has been tried and, unfortunately, it did not work.

Therefore, legislation was necessary, and certain restrictions were imposed. Over a year ago, when the price of foodstuffs went sky high, I urged the placing of price ceilings on livestock and foods but, unfortunately, it was some time before that was effected, due to the fact that the growers, producers, manufacturers, and businessmen opposed any restrictions or price ceilings. But today I am sure, notwithstanding the defects in administration and shortcomings of the O. P. A., it has held down the cost of living, as is unmistakably shown by the article I inserted in the RECORD a little while ago.

Naturally, I am interested in the administration of the Price Control Act, but, above all else, I am interested in the consumer and the little man; and if the gentleman from Virginia [Mr. SMITH] will introduce an amendment that will aid consumers and eliminate any of the abuses that may be proved, I will support it. But I feel, Mr. Speaker, as I have said, that it is my duty to call attention to the rule that I have been directed to report, which, if adopted, will deprive a standing legislative committee of its rights and jurisdiction, and effect conditions that will embarrassingly delay the orderly procedure of this House.

The gentleman from Virginia [Mr. SMITH] has asked me whether I am opposed to the rule. I voted against it in committee, and I have a right, when I am against a rule, although I am the chairman, to oppose it if I feel it is wrong, goes far afield, and contravenes the established precedents of the House.

Surely we all receive complaints. I have many of them. But is there a single law that we have ever passed that was perfectly satisfactory to all? No. I know that the real-estate operators who obtained many apartment buildings for 10 or 15 cents on the dollar want their rents increased, notwithstanding they are making a real profit out of their investments. I know that the oil people desire some amendments in the bill.

I feel at this time, Mr. Speaker, that we should have the interest of the entire country at heart instead of the interest of a few selfish, avaricious men who desire to get more and more out of the Treasury for their own benefit.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I cannot yield now. I only have a few more minutes. I may yield later on.

The gentleman from Virginia [Mr. SMITH] complains that the C. I. O. is for this legislation, that is, for the Committee on Banking and Currency bill, and for the law now in force. It is not only the C. I. O. I venture to say that 95 percent of the American people are for the law, and they approve of the splendid action of the Committee on Banking and Currency in amending the act in many respects, eliminating some of the abuses or shortcomings that have been called attention to by the gentleman from Virginia [Mr. SMITH].

I am now inserting in the RECORD an article showing some prices during World War No. 1 and the present time. It says:

THEN AND NOW

In the third year after our entry into the last war \$43.75 would buy 1 barrel Swansdown flour, 100 pounds sugar, and nothing else.

In the third year after our entry into the present war \$43.75 will buy 1 barrel Swansdown flour, 100 pounds sugar, and these 88 other items:

Choisa Ceylon tea, ¼-pound package.
 Red Label coffee, 1-pound bag.
 Swansdown baking powder, ½-pound tin.
 Overland peanut butter, 1-pound jar.
 Overland wheat cereal, 28-ounce package.
 Shredded wheat, 12-ounce package.
 Overland premium chocolate, ½-pound cake.
 Baker's Dutch process cocoa, ½-pound tin.
 S. S. P. sweet biscuits, 1-pound package.
 Educator Crax, 1-pound package.
 Sunshine Krispy Crackers, 1-pound package.
 Unedea biscuits, 4-ounce package.
 Pennant butter cookies, 12-ounce package.
 Red Label large eggs, dozen.
 Overland vanilla extract, 2-ounce bottle.
 Epicure boneless codfish, 1-pound box.
 Red Label salmon steak, 7¼-ounce tin.
 Red Label red Alaska salmon, 16-ounce tin.
 Quaker yellow corn meal, 24-ounce package.
 Swansdown cornstarch, 1-pound package.
 Swansdown pancake flour, 20-ounce package.
 Pie crust mix, 8-ounce package.
 Pillsbury's cake flour, 2¾-pound package.
 Choisa pulled figs, 1-pound package.
 Overland 18-24 prunes, 1-pound package.
 Epicure seeded raisins, 15-ounce package.
 Epicure seedless raisins, 15-ounce package.
 Overland watermelon rind, 10-ounce jar.
 Red Label apple sauce, No. 2 tin.
 Red Label strained cranberry sauce, 1-pound jar.
 Red Label fruit salad, No. 2½ tin.
 Red Label fresh flavor peaches, No. 2½ tin.
 Red Label orchard ripe pears, No. 2½ tin.
 Red Label sliced pineapples, No. 2 tin.
 Epicure gelatine, package four envelopes.
 Overland clover blossom honey, 1-pound jar.
 Choisa herring salad, 4-ounce jar.
 Overland olive spread, 5-ounce jar.
 Choisa sardine spread, 3-ounce jar.
 Choisa fig jam, 2-pound 3-ounce jar.
 Overland grape jam, 1-pound jar.
 Overland strawberry jam, 1-pound jar.
 Prune jam, 1-pound jar.
 Overland crab apple jelly, 12-ounce jar.
 Overland grape jelly, 12-ounce jar.
 Overland guava jelly, 12-ounce jar.
 Overland macaroni, 12-ounce package.
 Overland spaghetti, 12-ounce package.
 Epicure orange marmalade, 1-pound jar.
 Raspberry-flavored marmalade, 1-pound jar.
 Red Label sliced bacon, 1-pound package.
 Epicure boned chicken, 3½-ounce jar.
 Overland chicken spread, 4-ounce jar.
 Overland ham spread, 4½-ounce jar.
 Armour's lunch tongue, 12-ounce tin.
 Ready-cut smoked turkey, 1-pound jar.
 Swift's Prem, 12-ounce tin.
 Red Label chicken fricassee, 14¾-ounce jar.
 Royal Purple evaporated milk, 14½-ounce tin.
 Overland queen olives, 4¾-ounce bottle.
 Overland stuffed queen olives, 6-ounce bottle.
 Wesson oil, quart bottle.
 Overland sweet midget gherkins, 10-ounce bottle.
 Overland sour mixed pickles, 15-ounce bottle.
 S. S. P. French dressing, 8-ounce bottle.
 Swansdown salt, 2-pound package.
 Red Label clam chowder, 11-ounce tin.
 Red Label cream of tomato soup, 16-ounce tin.
 Red Label green turtle consomme, 13-ounce tin.

Red Label tomato soup, 10½-ounce tin.
 Red Label vegetable soup, 10½-ounce tin.
 Overland cider vinegar, gallon jug.
 Red Label tomato juice, 24-ounce tin.
 Overland tomato juice cocktail, 26-ounce bottle.

Overland oven-baked pea beans, 28-ounce pot.

Red Label tiny stringless beans, No. 2 tin.
 Red Label sliced beets, No. 2 tin.
 Red Label julienne carrots, No. 2 tin.
 Red Label golden bantam corn, No. 2 tin.
 Red Label whole kernel corn, No. 2 tin.
 Red Label spinach, No. 2½ tin.
 Red Label tomatoes, No. 2½ tin.
 Epicure grape juice, pint bottle.
 Red Label grapefruit juice, No. 2 tin.
 Red Label pineapple juice, No. 2 tin.
 Epicure prune juice, 32-ounce bottle.
 S. S. P. cold cream soap, box 12 cakes.
 5 pack Overland perfecto cigars.

HAS O. P. A. PRICE CONTROL KEPT PRICES DOWN?

As this demonstration shows, O. P. A. price control has been of great benefit to the consumer in keeping prices down. The comparison of what \$43.75 would buy then and now is dramatic evidence of what can, and does, happen when prices are not controlled.

This exhibit brings up to date a comparison of prices which we have presented from time to time during the past 25 years, as a matter of general interest.

Because these items were much in the public mind, a barrel of flour and 100 pounds of sugar were used as the original basis for comparison.

The Committee on Banking and Currency has worked assiduously on this bill. It has heard many witnesses. I think it devoted about 2 or 3 months' time to the bill. That industrious committee consists of 26 members. I am pleased to say that I consider that committee one of the outstanding House committees. I have the utmost confidence in the chairman, the gentleman from Kentucky [Mr. Wolcott]. They all come to the of that committee, the able, industrious, and scholarly gentleman from Michigan [Mr. Wolcott]. They all came to the Committee on Rules and ask, not for a closed rule, but for an open rule; not for a rule that will permit anything and everything to be brought up in the nature of an amendment, regardless of whether it belongs to this bill or to some other matter we are to consider.

In view of that fact I think that the unanimous action of 26 able and painstaking men is entitled to favorable consideration. Further, the splendid committee of 7 that the gentleman from Virginia [Mr. Smith] represents is entitled to respectful consideration. As I have said, a minority report was filed, so that there are actually 5 against 21.

In view of the fact I feel it is a mistake to adopt the rule as it is written. I believe we should grant an open rule, giving the Members an opportunity to offer amendments, and the House should be able to consider any amendment that is germane to the bill.

Mr. Speaker, I now yield 30 minutes to the gentleman from New York [Mr. Fish].

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I hesitate to criticize the chairman of the Committee on Rules

[Mr. SABATH] but it seems to me that when a chairman of the Rules Committee is not in favor of a rule that has been reported out by the Committee on Rules, he ought to turn over the control of the time to some member of the Committee on Rules who is in favor of the rule and is supporting the rule that has been reported. I believe that is the orderly and customary procedure, and if it is not, certainly it should be, on the basis of fair play.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. Certainly, I yield to the gentleman from Illinois.

Mr. SABATH. Does the gentleman think it is unfair on my part to try to preserve the right of the minority?

Mr. FISH. The gentleman is the chairman, representing the majority of the committee.

Mr. SABATH. Have I ever denied anybody time—

Mr. FISH. I make the proposition only that the time should be controlled by the majority in favor of the rule. I am not concerned in this controversy. I do not care particularly what happens to this rule; I want to make that very clear at the outset. It is a wide-open rule, so wide open that it is being opposed on that basis, and not because it is restrictive or a gag rule. I am not advocating it one way or the other, because I do not consider there is any principle involved or conviction on my part, and I submit that the Committee on Rules is nothing but the servant of the House. The House has a right to write its own rules, and it will not bother me one bit if the House decides in this case to change or amend the rule as adopted by a very large majority of the Committee on Rules.

Mr. SABATH. Mr. Speaker, will the gentleman yield again?

Mr. FISH. Certainly.

Mr. SABATH. I am not going to say how the gentleman voted, but knowing how he voted I felt that it was my duty to do what I did. How will he vote now? Is he not for the rule?

Mr. FISH. The gentleman did not state how he voted, but I will say how I voted in the committee.

Mr. SABATH. I said I was against it.

Mr. FISH. I voted for the rule in the committee, and I think the House ought to know what was before the Committee on Rules.

In the first instance, the proposition was to grant a rule for the entire Smith bill and make the entire Smith bill in order as a substitute for the bill from the Committee on Banking and Currency. That would have been unfair, because it would have given the right-of-way to the Smith bill over the bill reported by the Committee on Banking and Currency, and the Smith bill would have been considered first and would have had legislative priority.

On reconsideration the Committee on Rules thought the fair and proper thing to do was to compromise and make in order those parts of the Smith bill that were not germane to the Spence bill so that they could be presented to the House by way of amendment, and permit the House to pass final judgment.

That seemed at the time to the members of the Rules Committee to be a fair proposition.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I will yield in a minute.

That is what I think impelled the overwhelming membership of the Committee on Rules to write a rule of this kind. Evidently because Mr. Smith, the chairman of the committee appointed by the House to investigate the executive agencies of the Government, there are certain members of the House, who are suspicious of Mr. Smith and the proposals that he advocates. I happen to be one who will not vote for any drastic antilabor legislation that comes before the House, if it is designed to deprive American wage-earners of any of their hard won rights whether it comes from the Smith committee or any other committee.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

I do not believe that is the issue before the House. The gentleman from New Jersey [Mr. HARTLEY] certainly a friend of labor, always recommended and endorsed by the American Federation of Labor, is a member of the Smith committee. He is in favor of this rule and he is in favor of most of the proposed amendments.

I am unable to say that I am in favor of any one or all of the Smith amendments. I may vote for them all or I may vote against all of them. I only want to give him the right to present them. After all, that investigation of executive agencies started in the Rules Committee. The gentleman from Virginia is a member of it. We sponsored it. The House overwhelmingly endorsed it and authorized the expenditure of \$50,000, which money was spent upon this investigation. The gentleman from Virginia [Mr. SMITH] submitted a report and introduced a bill as a result of that investigation, and he merely wants the chance to present these amendments and the facts to support them before the House.

Are you afraid to face these issues squarely that are before the country, you on both sides who are talking about regimentation and the civil rights of the American people? Or do you want to dodge the issues and vote the rule down? I am willing to meet these issues and vote accordingly on the merits of each amendment.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. FITZPATRICK. Does the gentleman believe the amendments ought to be subject to a point of order if they are not germane to the bill?

Mr. FISH. I have already explained that this report has been done at the direction of the House. Many of the proposed amendments have to do with rent control, and with rationing, and might not be germane to the Spence bill. Those amendments should be presented at this time. We have to face the facts and the

conditions. We are about to recess within 30 days, and unless it is done that way this question of rationing will not be brought up and these other amendments will not be presented for your consideration.

Mr. FITZPATRICK. For that reason we are going to waive all points of order?

Mr. FISH. To present it to the House; yes.

Mr. FITZPATRICK. Why not leave it an open rule?

Mr. FISH. I do not see why the House is not competent to decide on the merits of each amendment. I do not see why the House does not have the courage and the intelligence to face these vital issues and not be protected by rules of procedure. This is a legislative body to protect the interests of all the American people.

Mr. FITZPATRICK. Rules are what the House has been governed by in the past.

Mr. FISH. If you want to have a Committee on Rules that will protect you against every vote, tell it to your district and see what your constituents think about that. I am not a rubber-stamp Member of Congress. I want Members on both sides to know that I am willing to meet these issues fairly and squarely. I may vote against them all. If they are antilabor, I will vote against them if they are unfair and unjust to American labor. I am glad the Crosser railroad amendment to provide that the decisions of impartial boards set up under the Railroad Labor Act shall not be vitiated by bureaucratic directives. I am sorry that I ever voted for the Smith-Connally bill. I think it promoted strikes. I led the fight against the rule on the Smith-Connally bill and tried to have the House vote it down and refuse to consider the Smith-Connally bill. I did everything I could to prevent the Smith-Connally bill from coming up at that time because it was in the midst of the miners' strike, and I knew under the stress of that strike it would be unfortunate and difficult to legislate intelligently. I regret that I voted for it, at least on one occasion—I think I voted against the Senate bill and for the House bill as amended—because it has promoted strikes. I have told my people that, and I want everybody else to know it. I have signed the petition to repeal the Smith-Connally bill. It would have been much wiser if we had voted down the rule. Then we would have had a different story after the miners' strikes had been settled and we would not have passed such drastic legislation.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has been a member of the Committee on Rules for many, many years. Does the gentleman recall a practice ever existing whereby the Committee on Rules reports out a rule for the consideration of a bill allegedly acting in good faith, and at the same time provides a provision in that same rule for the doing of a hatchet job on the very bill for which

it reports out the rule? That is most extraordinary.

Mr. FISH. I deny that part of your statement that refers to a hatchet job.

Mr. MARCANTONIO. Does not the rule make in order the Smith bill? The gentleman himself said it would be unfair to give the Smith bill the right-of-way.

Mr. FISH. The whole bill, certainly, because that would have given it priority before the House. Under this rule you can offer amendments in the orderly way. There have been occasions when the Committee on Rules has done that, on the bonus bill and a number of others.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman knows that the bonus bill was before the very committee that reported out another bill, and the Members asked that the Committee on Rules report out a rule making in order as a substitute the Patman bill. That is a different situation than this. The gentleman also knows, I am sure, having read the Smith bill, that practically all the provisions of the Smith bill would be germane to this bill under an open rule.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I yield myself 3 additional minutes.

Many members of the Committee on Rules felt that some of these amendments the gentleman from Virginia [Mr. SMITH] is going to propose would not be germane, not just the War Labor Board amendments but others, as to rent control, and rationing. They felt this was the only way to get the amendments before the House. I feel the same way. I do not particularly like to stand here and advocate this rule, but if any drastic antilabor amendments are offered, I shall oppose them. I think it is a matter for the House to decide. I have no particular convictions about it. As I said in the beginning, I do not care a continental what the House does about this rule. If you do not want to face these issues, such as rationing; if you think they will embarrass you, and you are afraid to face them, then vote the rule down. I am not afraid to face any of these issues and vote on them. I will, however, vote against any antilabor legislation that is brought up that is unfair to labor. So I do not care a bit what the House does, and I do not want to stand here and consume time fighting for this rule. I am not fighting for it. I voted for it in the committee at the time only because I thought it was, in the spirit of fairness, the proper procedure and in the public interest. I know of no other way before the 20th of this month to bring the proposed amendments before the House. If the House does not want this procedure, it has the power to vote it down. It will not bother me one bit what you do. I am willing to vote for the rule and to vote on any amendment that is brought before the House.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. SABATH. The gentleman from New York has always been fair to me, and I know that he does not wish to say anything today that is unfair. He knows that my position was the same on the Smith-Connally bill as well as on the other bill that was mentioned when the so-called precedent was established, the Barden bill. I was placed in the same embarrassing position because I thought it was wrong for the Committee on Rules to do what it did. Consequently, I am doing the same thing today.

Mr. FISH. I do not want to embarrass the gentleman or any other Member of the House. I think it is in the public interest to consider these amendments. Members on both sides have been talking about regimentation and about rent control and rationing and the civil rights of the American people, but when these issues are brought before us we try to duck and dodge them, put them off, and evade them. Let us pass the rule and face them now and vote them up or down on their merits, or stop speaking about and criticizing the failure of Congress and the administration to protect the rights of the American people against bureaucratic regimentation and directives.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, the rule presently before the House is a sample of what has been going on for several years when important legislation is submitted to the House by the Rules Committee. I think it is generally understood that the Rules Committee was set up for the purpose of expediting legislation.

Many years ago this House was presided over by a Speaker who was commonly called throughout the Nation the czar. He was all powerful. In fact, he controlled the operations of the House. Not only did he dictate what legislation was to be considered, but he also was clothed with the power to name members of the various committees in the House. As a result of the policy he adopted there was a revolt led by the former Senator from Nebraska, Mr. Norris, then a Member of the House, and the czar was dethroned. The dean of this present House, the gentleman from Illinois [Mr. SABATH], then a young Member, took an active part with Senator Norris.

It mattered not in future years whether the Republicans or the Democrats were in control of the House, the procedure was practically the same. Either a policy or a steering committee was set up and recommended to the Rules Committee what legislation should be granted special consideration. Likewise, a new method was found to name members of the committees, both minority and majority. The Democrats placed that power in the hands of the Ways and Means Committee, while the Republicans set up a Committee on Committees.

It cannot be denied that the Democratic Steering Committee, which could be called a Policy Committee, would meet

and pass upon requests for special legislation that had been reported by the legislative committees, and when a decision was reached it was passed on to the Rules committee. In the last 2 or 3 years however, that policy does not prevail.

The Rules Committee are the ones now who dictate what legislation this House can and cannot consider, where a special rule is needed. This has progressed to such an extent that I feel it is time to call a spade a spade. This situation results from a coalition between certain Democrats and certain Republicans on the Rules Committee. These certain Democrats, together with the Republicans on the committee, control the situation.

The Rules Committee was never set up as a legislative committee, nor did anyone ever feel that it would develop into a legislative committee, but under the present policy it certainly has taken upon itself to dictate legislation. As an example, let me say that the Rules Committee now, in certain instances, calls in witnesses who have previously testified before a legislative committee and discusses the merits of the legislation. It has on numerous occasions required a legislative committee either to strike out certain provisions of a bill or agree to certain amendments before the rule would be granted. In other words, it has set itself up as a super-duper committee assuming control over the various legislative committees of the House. If this does not stop I predict there is going to be another revolt.

Now take the rule before us today. It provides not only for the consideration of the bill reported by the Committee on Banking and Currency extending the O. P. A. Act, but it likewise provides that the gentleman from Virginia [Mr. SMITH] can offer any part or all of the provisions of the bill that he introduced, 57 pages, and that they will not be subject to a point of order. The Committee on Banking and Currency, I understand, considered the Smith bill and it did not include his measure in the bill as reported. No one can deny but that the gentleman from Virginia [Mr. SMITH] is a powerful member of the Rules Committee.

Now what was the purpose of bringing in a rule making the provisions of the Smith bill in order? In my humble opinion it was for no other purpose than to embarrass the administration. They are crippling amendments and might, if enacted into law, destroy the O. P. A. Act.

I cannot conceive that the House will adopt these amendments but if any of them are added in the Committee of the Whole, when we return to the House I feel that the Members should be entitled to a separate vote on every amendment added if it is so desired. We have listened recently where Members will add an amendment in the Committee of the Whole and when a special vote is requested in the House a sufficient number of Members would refuse to stand up to provide a roll call so a record vote could be taken on the amendment. That is exactly what is likely to happen if any of the Smith amendments are adopted.

It seems to me if the Rules Committee wants to play fair with the Members of the House that they should also provide that in the event that any of the Smith amendments are added to the bill in Committee, that when the measure is returned to the House a yea-and-nay vote on those amendments would be considered as having been ordered. In that way Members would be on record in showing whether or not they favored crippling this meritorious law.

I dislike to be critical but the time has arrived in my opinion when something must be done to prevent a coalition of Republicans and Democrats on the Rules Committee from embarrassing, not only the House, but the administration.

The way to do it is to vote down the previous question. Then the resolution would be open to amendment and the House could eliminate the objectionable language. In its present form I will not vote for the rule.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, it is unfortunate that we are in a position where, in the consideration of urgent legislation, there are those who say we are opposing or defending the administration rather than considering the merits of the legislation. I do not think anybody will accuse me of defending all acts of the administration, and by the same token they will not accuse me of not supporting the administration, when I think the administration is right. This is no occasion to indulge in political harangue.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the distinguished majority leader.

Mr. McCORMACK. I do not like to use the word "accusation," but there is one "accusation" I would like to make against the distinguished gentleman from Michigan, and that is, he is always intellectually honest.

Mr. MICHENER. I thank the gentleman.

The question before the House is simply this, and I shall speak entirely from a procedural standpoint. A bill was introduced in the House and was referred to the Committee on Banking and Currency, the purpose being to deal with O. P. A. or price fixing. The committee held about 40 days' hearings on that subject. Then the committee, as I understand, unanimously reported to the House H. R. 4941. The committee unanimously appeared before the Committee on Rules and asked for an open rule; that is, that this bill might be brought to the floor of the House with 9 hours' general debate, and all the time anybody in the House wanted to offer amendments, and with the privilege of every Member in the House offering any germane amendment he saw fit. That is the committee bill and the committee's position.

After the hearings before the Rules Committee, the distinguished gentleman from Virginia [Mr. SMITH], who is the

chairman of an investigating committee, to which he has given much of his time and work, filed a report in the House—not on a bill but a report of its work. Following this report of the committee, the distinguished gentleman from Virginia placed in the bill, H. R. 4647, his views as to certain changes that should be made in existing law. The gentleman from Virginia then asked the Committee on Rules that the request of the legislative committee be disregarded and that his bill, which has never been considered or reported by a legislative committee, be made in order in preference to and as a substitute for the legislative committee bill. So that, had the committee granted that rule, we would have today read the Smith bill. After perfecting the Smith bill, there would have been a vote between the Smith bill as perfected and the committee bill without any amendments. The Committee on Rules voted that down. Then the gentleman from Virginia asked that all points of order to any provision in the 57 pages of H. R. 4647 be waived and that every item mentioned in his bill, H. R. 4647, be in order as amendments to the committee bill. That is the rule which is before the House now. It does nothing more nor less than that.

The Office of Price Administration was created by statute. The purpose of the Banking and Currency Committee bill is to extend the life of that statute and make some needed amendments to the O. P. A. law. I cannot impress upon you too strongly that any amendment pertaining to the O. P. A. law will be in order under the general rules of the House and without any special extension or limitation through a special rule.

The Stabilization Act gets its vitality by virtue of an Executive order. There is a difference between the O. P. A. law and the Stabilization Act.

The Smith bill covers amendments to the O. P. A. law, to the stabilization law, to the Smith-Connally law, to the Wagner Act, and, I believe, to other laws. I cannot speak accurately because I have not had an opportunity to read and digest its 57 pages.

It was the intention of the Banking and Currency Committee to extend the O. P. A. Act, as well as to make needed amendments to that act. It was not intended to make this O. P. A. bill a carrier to which miscellaneous riders and amendments might be added where legislative committees of the House have not held hearings and given consideration to the proposals. I, therefore, voted for an open rule in the committee and I voted against making this bill an omnibus bill. The Rules Committee has certain functions, but it is not omnipotent. While its functions are necessary under our parliamentary procedure, yet it can very easily destroy its usefulness by proceeding in the direction followed in the reporting of this rule.

Mr. Speaker, if the previous question is voted down at the end of the 1 hour's debate, then I am informed an amendment will be offered to the rule, the effect of which will be to make the Banking and Currency Committee bill wide open to every germane amendment offered.

What can be fairer? What is more sensible? Nevertheless, the decision is up to the House. If it is desired to create this new precedent and to embark upon a course which, in my judgment, is bound to lead to parliamentary chaos, then adopt this rule as reported by the Rules Committee. In the final analysis, the decision is with the House, but we should think long and understand clearly before such a step is taken.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, the only thing I want to say is insofar as I personally am concerned, I am in favor of the rule and I am prepared to vote on any amendment that may be offered which is germane under the rule or otherwise. I do not know any reason why we should not meet these issues. I think the Smith committee did a grand job, and I think it should be recognized. Let their amendments come before the House and let us deal with the amendments when they are called up. As a member of the Committee on Banking and Currency I simply want to make that statement.

Mr. FISH. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, I listened very attentively to the remarks made by the gentleman from Virginia [Mr. SMITH]. I hope that Members of the House will not get the impression that unless the Smith committee bill is made in order they are going to be deprived of voting on the issues which it raises, with the exception of those which seek to provide certain restrictions in respect to action taken by the War Labor Board. He said, speaking of wage stabilization:

I realize that there is not much sentiment for that subject, and it is not my purpose to offer those amendments to stabilize wages. So that the only amendment in that connection that I expect to offer will be those amendments which relate to court review and which relate to prohibiting the War Labor Board from exercising certain functions that are clearly in violation of the Constitution.

If you will take title V of his bill you will find it makes some very material changes in the jurisdiction of the War Labor Board and provisions of the National Labor Relations Act having no connection whatsoever with the stabilization of prices, rents, wages, or salaries. None whatsoever. But with the exception of those provisions contained in title V which I have just mentioned, there is not a single amendment which the gentleman discussed that cannot be offered by him or any member of his committee or any other Member of the House, because they are all germane. So it is very apparent that the only purpose of making the so-called Smith bill germane to this bill is to authorize the consideration of two most controversial subjects, absolutely outside the field of price control and wage stabilization—matters that should be taken up individually. The gentleman mentioned the fact "Why should we not now dispose of

the so-called Montgomery Ward dispute?" Why should we not? Because we have set up a special committee which is now, perhaps today, in session discussing that all-important, all-absorbing question, and no legislative committee I know of in the House of Representatives has ever given consideration to it. I know the Committee on Banking and Currency has never given consideration to any provision like this, that the War Labor Board shall make no order requiring any person to agree to submit any dispute to arbitration. If I understand it, that is the whole meat of the War Labor Board. If they cannot compel arbitration of labor disputes then they have no control over labor disputes. Do you want to inject that into this bill? I may say to you frankly, we are working on a very, very sensitive balance in this bill, and a little emotion on one side or the other will throw it out of balance. I do not want to see this bill overbalanced by any of these extraneous disputes which, at best, are highly controversial.

So the best thing for us to do is to vote down the previous question. Then I understand the esteemed gentleman from Kentucky, chairman of the Committee on Banking and Currency [Mr. SPENCE] will offer an amendment, which will not be in order unless we do vote down the previous question, to strike out the first sentence on page 2, which makes the whole of the Smith bill in order. Now, it has been rumored around the floor that the gentleman from Virginia [Mr. SMITH] does not intend to offer those amendments. That is why I read verbatim the statement he made, that he did intend to offer them. Of course, all of the other provisions being germane to the bill without this language in the rule, the only purpose of this provision which makes in order his bill (H. R. 4647) is to get us on a side track somewhere. If we are not careful about that, Mr. Speaker, we will find ourselves on that side track perhaps for the duration. It involves one of the most highly controversial subjects that this House has ever had to consider. All of us know that we have been treating that delicate subject as tenderly as we would a new-born babe, in order not to interfere with the orderly settlement of labor disputes under laws which you have already set up to do. If you want to change those laws, let us do the brave thing. Let us not put ourselves in a position where we have either to vote for or against labor, and for or against price control in the same bill. If you want to do so, bring out a bill to do the things which the so-called Smith committee wants to do, refer it to the proper legislative committee. Then we will be brave and we will be courageous and we will not hide behind the price control bill in anything we want to do in that respect.

I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Texas the distinguished Speaker of the House [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I ask the pardon of the House for taking the floor at this time, but after 31 years of

service in the House of Representatives I am very jealous of the rights, prerogatives, and privileges of the House of Representatives. I am also very jealous of the rights, prerogatives, and privileges of all of the committees of the House of Representatives. That is why I ask your attention for a few moments.

As was so ably said by my distinguished friend from Michigan [Mr. Wolcott], we have before us a bill which the Committee on Banking and Currency patriotically and sensibly considered for a long time. They did their work. In the usual way they appeared before the Committee on Rules for a rule for the consideration of their bill. During the consideration, other matters were brought into the committee. I take this time to warn the Members of this House, every one of whom is a member of a legislative committee, except those who are members of the Rules Committee and no other committee, the Committee on Rules was never set up to be a legislative committee. It is a committee on procedure, to make it possible that the majority of the House of Representatives may have the opportunity to work its will. If this is orderly, if that part of the rule that is in controversy here is orderly, then the legislative committees of the House might well take care, because the Committee on Rules, under this system, can meet, you can introduce a bill today, refer it to a legislative committee, and the Committee on Rules tomorrow can bring in a rule making it in order. Do you want that kind of condition to obtain in this House? That is where rules with provisions like this are leading us. We might as well face it today as any other time.

I do not want to take away any of the rights of the Committee on Rules, and I do not want the Committee on Rules to take away the rights, prerogatives, and privileges of other standing committees of the House of Representatives. Now, we are met face to face with this issue, Mr. Speaker. If we settle it one way today, then this matter will be here many, many times in the future. If we settle it like it should be settled today, I think there will be an end to the trespassing of one committee in the House upon the rights, prerogatives, and privileges of other committees.

The SPEAKER pro tempore (Mr. Mills). The time of the gentleman from Texas has expired.

Mr. FISH. Mr. Speaker, may I inquire how the time stands?

The SPEAKER pro tempore. The gentleman from New York has 4 minutes remaining, the gentleman from Illinois 12.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. Spence], chairman of the Committee on Banking and Currency.

Mr. SPENCE. Mr. Speaker, I offer no apology for being opposed to this rule. I believe I would be recreant to my trust and disregardful of the obligations that are upon me if representing the fine committee I represent I would supinely submit to the treatment that has been accorded to us by the Committee on Rules.

We operate under rules, we follow precedents. In all the history of this House

I am informed there is no precedent for the action of the Committee on Rules in this particular case. The Committee on Banking and Currency is a legislative committee that has jurisdiction over the matters contained in H. R. 4941. For 40 days we held hearings on this bill. The committee of which I am chairman gave assiduous attention, earnest labor, and sincere effort to that purpose. They brought out a bill. We went before the Committee on Rules. We made no effort to gag the House; we wanted to give every Member the right to offer any amendment that was germane to the bill. We asked for an open rule; we asked for 9 hours' debate so that every Member of the House who desired to express his opinion had the opportunity so to do.

The Committee on Banking and Currency is a legislative committee; it is the only committee that has authority to report this bill. The Smith bill was offered to the Committee on Banking and Currency for its consideration. Some of the suggestions of the Smith bill were embodied in the bill reported out by the Committee on Banking and Currency. We believe we have reported a bill that is worthy of the consideration of this House. We believe we have reported a bill that will not impede or thwart the operation of the Price Control Administration. Every Member here knows how essential it is for our future welfare and happiness that we have orderly price control. There could be nothing more vital to the interests of America except the slaughter of our boys, God bless them and protect them, than to break down the economic life of the country. Anybody who tries to destroy price control in any respect or to weaken it is doing a disservice to his country.

What did the Committee on Rules do? They gave no preference to our bill, the bill we had worked on and slaved over, but they gave equal standing to a bill reported not by a legislative committee, but by an investigatory committee, a committee that had no legislative powers, and a committee which it seems to me exceeded its authority in attempting to impose its will over the will of the legally constituted committee. That is the whole question. If you vote today for the adoption of this rule without amendment, you destroy the precedents that have prevailed in this House since its inception. I am not astonished that the Speaker, who wants to preserve the integrity of this House, who wants to preserve the integrity and the jurisdiction of the committees of this House, should come into the well and speak against this rule.

I hope, Mr. Speaker, the previous question will be voted down and that we may then amend the resolution to make it a reasonable rule in conformity with the precedents of the House.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. Monroney], a member of the committee.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Speaker, I believe there is some confusion on the part of a few Members in feeling that the Committee on Banking and Currency is trying to keep from being considered any amendment of the stabilization program or price-control program. That definitely is not the case, because by unanimous decision of the committee on numerous times we decided we wanted an absolutely open rule permitting any amendment that was germane to price control or wage stabilization. But the rule that has been brought in by the Committee on Rules makes in order any amendment to the Smith-Connally Act.

The Committee on Banking and Currency sat for 2 months, took more than 1,300,000 words of testimony on price control and wage stabilization.

DUMP NEW QUESTION

We now come before the Committee on Rules and find they are dumping into the complicated, intricate, difficult situation of price control all of the heat and uncertainty of antistrike legislation and the authority of the War Labor Board to settle labor disputes.

Mr. Speaker, had our committee attempted to consider most of the material in title 5 of the Smith bill, which is made in order by this bill, we would be violating the rules of the House. We went as far as we could.

We studied every one of the 200 amendments that were proposed to our committee; we discussed them, we incorporated some of the features of the Smith bill. But the matter of labor policy is clearly outside the jurisdiction of the Committee on Banking and Currency, yet this rule now under consideration makes that absolutely in order to the price-control bill.

If we want to legislate intelligently let us try and stay on the beam of price and wage control. We have enough problems there without having a red-hot fight on labor policy.

I therefore hope that other Members of the House and other committees that will be affected if this precedent be set here today will join us in helping to vote down the previous question so we can strike from this rule all things not germane to price or wage control.

Mr. Speaker, I yield back the balance of my time.

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. Brown].

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 4 minutes.

Mr. BROWN of Ohio. Mr. Speaker, as a member of the minority of the Committee on Rules, I have been rather amazed that the majority members of the committee either have not seen fit or have not been granted time to speak in support of the rule which they adopted. I believe the House knows the Committee on Rules is made up of nine members of the Democratic Party and five Republicans.

The issue that is before us as to the adoption of this rule is simply this: Whether or not we shall have a rule which will permit the House of Representatives to actually work its will, and

to consider any and all amendments to the Price Control Act. Let us remember, in the very beginning, the Committee on Banking and Currency does not have jurisdiction, in a legislative way, over all the actions of the Office of Price Administration. Consistently the Members who have addressed you have talked only about price-control legislation.

Of course, any amendment that might be presented under an ordinary open rule concerning pricing would be germane, but unless this rule is adopted any amendment offered relative to rationing would not be held germane.

Mr. Speaker, reference has been made to labor and to the labor provisions of this bill. Labor provisions were reported in this bill by the Banking and Currency Committee, and in all probability any amendment relative to that labor provision will be held germane; so that the real issue here is whether you want to discuss and consider all amendments that might be offered to the Price Control Act as it affects not only prices, not only wage stabilization, but also rationing.

Mr. Speaker, the people of this country do not make any differentiation in their minds as to the O. P. A., whether it has to do with price control, prices, or rationing. It is all in the same sack.

I know what is going on in the House as well as some of you. I imagine this rule will be voted down because I see the machine operating, but remember, when a point of order is raised against some amendment that you want in this bill to protect your people back home and it is held to be out of order and not to be germane, it will be because you have voted to make it not germane.

Mr. HALLECK. Will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. There have been some who contend that they do not like the process of the judicial-review set-up in the committee bill; they would rather have that judicial review performed by the regularly established courts. Could the gentleman offer any opinion, in view of what was discussed in the Rules Committee, as to whether or not under an open, regular rule an amendment to change the manner of judicial review in that regard would be germane and in order?

Mr. BROWN of Ohio. It is very questionable. It would be germane under certain conditions, but it would not be germane as to the kangaroo courts as far as rationing problems are concerned. I have made a lot of speeches all over this country, and so have some of the rest of you, about protecting our constitutional rights against bureaucracy and all that. I am going to vote that way today. I think it is about time that we talk and vote the same way.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, I am always glad when I feel that the Rules Committee has done something which enables the House to work its will.

This Congress appointed a special committee, of which the gentleman from Virginia [Mr. SMITH] is chairman. That committee has done a great deal of work on this subject and it reported to the Congress the result of its investigations. It introduced a bill dealing with the subject. The special committee suggested to the Rules Committee that it adopt a rule making their bill in order as a substitute for the committee bill. The Rules Committee declined to do that, feeling that this would not be fair to the legislative committee. It was on my own suggestion that the particular language under consideration was put in the rule and this was done because there appeared no other way in which this special committee that has studied the question can get any of its proposals before the House of Representatives. It seems silly to me to appoint a committee, spend a lot of money in investigating, and have that committee file a bill dealing with the subject, if the Congress is not going to have the opportunity of saying for itself whether it wants to adopt any of the recommendations of that special committee or not. I know of no way it could have been gotten at otherwise. It does not open the door wide. It confines these amendments from that committee to what is contained in a bill that has been introduced by it in the House. I feel, therefore, it would be wise to adopt this rule as it is and deal with the whole subject. If we are not qualified to do that we ought not to be here.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, obviously no one could discuss this rule in 2 minutes. It pains me very much to find myself in disagreement with the leadership and so many of my friends on this question. During the time I have been a member of the Rules Committee I have heard it criticized, lambasted, and chastised about bringing in gag rules. This is an open rule plus, yet we are held up here as a super-committee, attempting to dictate to the House. Nothing is further from the truth.

Mr. Speaker, I think I know what is going on, too. I know what is going on on both sides of this aisle. I see gentlemen over here on the Republican side, in committee as well as upon the floor of the House, filling the CONGRESSIONAL RECORD with criticisms of the administration, claiming that the administration is surrendering to labor, that we are living under a labor government and all of those things, but, as the gentleman from Ohio has so well said, the test comes upon this vote.

As far as I am concerned, as a member of the Rules Committee, I think there is ample precedent for what the committee did. It took this action to give you an open rule and the opportunity to express your will. I do not care what you do with the rule. Vote it up or vote it down, but do not holler any more about what the administration is doing with bureaucracy and labor if you vote it down.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield the balance of the time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the argument just made by the gentleman from Mississippi to me seems entirely irrelevant. To advance the argument that this involves the question of bureaucracy is to try to get a vote through an appeal to fear. It is simply a question of procedure, as has been ably stated by the gentleman from Michigan [Mr. MICHENER]. The question involved here is whether or not the legislative committees of this House, and I say this impersonally, are going to have their hard work overshadowed and obscured by the Rules Committee.

Our rules as promulgated are the result of the experience of past generations of Members of the House of Representatives. The House of Representatives has been in existence during the entire constitutional history of our country, and our rules, and our customs are the result of those years of experience, the experience of you and I during our service as Members, and the experience of those who have preceded us.

This is the first time that a rule of this kind has ever been reported out, and, in my opinion, it is an unwise and unsound precedent to establish; it is something that will come to stare any party in the face that has a majority in this House in the future.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I move the previous question.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. Mr. Speaker, if the House votes down the previous question, am I correct in my understanding that the rule would then be subject to amendment?

The SPEAKER. If the previous question is voted down, the resolution is then subject to amendment.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 64, noes 153.

Mr. SMITH of Virginia. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the previous question was rejected.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Page 2, line 1, after the word "rule", strike out the entire sentence commencing with the words "It shall", ending with "H. R. 4647", in line 4.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia), there were—ayes 170, nays 44.

Mr. SMITH of Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and fifty-nine Members are present, a quorum.

Mr. SMITH of Virginia. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

EXTENDING THE TIME LIMIT FOR IMMUNITY

Mr. SUMNERS of Texas submitted the following conference report and statement on the joint resolution (S. J. Res. 133) to extend the time limit for immunity:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 133) to extend the time limit for immunity, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the House insert the following:

"That effective as of December 7, 1943, all statutes, resolutions, laws, articles, and regulations, affecting the possible prosecution of any person or persons, military or civil, connected with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, or crime or offense against the United States, that operate to prevent the court martial, prosecution, trial or punishment of any person or persons in military or civil capacity, involved in any matter in connection with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, or crime or offense against the United States, are hereby extended for a further period of 6 months, in addition to the extension provided for in Public Law 208, Seventy-eighth Congress.

"Sec. 2. The Secretary of War and the Secretary of the Navy are severally directed to proceed forthwith with an investigation into the facts surrounding the catastrophe described in section 1 above, and to commence such proceedings against such persons as the facts may justify."

And the House agree to the same.

Amend the title so as to read: "Joint Resolution to extend the statute of limitation in certain cases."

And the House agree to the same.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
C. E. HANCOCK,

Managers on the part of the House.

CARL A. HATCH,
A. B. CHANDLER,
HOMER FERGUSON,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 133) to extend the time limit for immunity, submit the following explanation of the effect of the action agreed upon in conference and recommended in the accompanying conference report.

The House amendment substituted the language of the House Joint Resolution 283, as agreed to by the House, for the language of the Senate resolution.

The first section of the House amendment was in substance the same as the corresponding part of the Senate resolution except the latter provided for an extension of 1 year instead of 3 months as proposed by the House.

The second section of the House amendment directed the Secretary of War and the Secretary of the Navy to institute court-martial proceedings for any offense committed by any person to whose court martial the extension of time provided in section 1 relates, as soon as possible, and in no event later than the period of extension provided for in section 1. The Senate resolution directed the Secretary of War and the Secretary of the Navy to proceed forthwith with an investigation into the facts surrounding the catastrophe described in section 1, and thereafter in their discretion to commence such proceedings against such persons as the facts may justify.

The conference agreement provides in section 1 for an extension of 6 months. Other language is added to clarify the intention that the extension is for the purpose of permitting court martial, prosecution, trial, or punishment of any person with respect to any possible or apparent dereliction of duty, or crime or offense against the United States.

Section 2 of the conference agreement is similar to the provision in the Senate resolution. It provides that the Secretary of War and the Secretary of the Navy are severally directed to proceed forthwith with an investigation into the facts surrounding the catastrophe described in section 1, and to commence such proceedings against such persons as the facts may justify.

The title also is amended to correctly state the effect of the resolution.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
C. E. HANCOCK,

Managers on the part of the House.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on Senate Joint Resolution 133.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the conference report.

Mr. SUMNERS of Texas. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the Members of the House are familiar with the subject matter with which this conference report deals but, with your indulgence, I want to read the statement of the managers on the part of the House. It is very brief:

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 133) to extend the time limit for immunity, submit the following explanation of the effect of the action agreed upon in conference and recommended in the accompanying conference report.

The House amendment substituted the language of House Joint Resolution 283 as agreed to by the House for the language of the Senate resolution.

The Members of the House are familiar with what was done in that transaction.

The first section of the House resolution was in substance the same as the corresponding part of the Senate resolution, except the latter provided for an extension

of the statute of limitations for 1 year instead of 3 months as proposed by the House. We agreed to a 6-month extension.

The second section of the House amendment directed the Secretary of War and the Secretary of the Navy to institute the court-martial proceedings.

I assume you are all familiar with that phase.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. HANCOCK] one of the conferees who will make further explanation.

Mr. HANCOCK. Mr. Speaker, in the conference this morning your conferees on this resolution to extend the statute of limitations as it applies to those responsible for the Pearl Harbor disaster were not unmindful of the fact that this House expressed itself very clearly yesterday in favor of a period of extension of 3 months rather than of 1 year, as provided in the Senate resolution. However, where there are differences of opinion, strong differences of opinion, to be reconciled, there must be compromises. All six conferees agreed on 6 months, feeling that that was the best we could do to approximate the views of the two bodies we represent.

Mind you, if there is no agreement today there will be no resolution, and the accused parties, the guilty parties, will be free tomorrow of any danger of prosecution.

One strong argument against the shorter period of limitation was the fact that neither the Army nor the Navy has made any adequate investigation into the facts surrounding that disaster; in fact, Rear Admiral Gatch, the Judge Advocate General of the Navy, stated to the Senate committee that in his opinion there were no facts, or at least there were insufficient facts in his possession, to form the basis for a court martial against anybody. So in the hope that something may be done within a reasonable time, we provide in section 2 that both the War Department and the Navy Department shall proceed forthwith to make thorough investigations and within the 6 months' limitation to begin proceedings against the guilty parties. I do not believe we can do any better than that.

There are a few changes in phraseology which strengthen and clarify the bill, in the first section thereof, and I think it is a more workmanlike job.

That is all I can state to you. You may be disappointed that the extension is not 3 months or you may be disappointed that it is not a year, but this is a compromise and the best one that can be reached.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does this provide for a 6 months' investigation or that the investigation must be made within 6 months?

Mr. HANCOCK. The first section extends the statute for 6 months. The second section will be clear if I read it to you:

The Secretary of War and the Secretary of the Navy are severally directed to proceed forthwith with an investigation into the

NAYS—141

Allen, Ill.	Gillette	Monkiewicz
Andersen.	Gillie	Mundt
H. Carl	Goodwin	Murray, Wis.
Andresen.	Graham	Norman
August H.	Grant, Ind.	O'Brien, N. Y.
Angell	Gross	O'Hara
Arends	Hale	O'Konski
Arnold	Hall	Phillips
Auchincloss	Edwin Arthur	Pittenger
Baldwin, N. Y.	Hall	Ploeser
Barrett	Leonard W.	Powers
Bates, Mass.	Halleck	Pracht
Beall	Harness, Ind.	C. Frederick
Bender	Hartley	Pratt
Bennett, Mo.	Hertzer	Joseph M.
Bishop	Hill	Ramey
Bradley, Mich.	Hoffman	Reece, Tenn.
Brehm	Holmes, Mass.	Reed, N. Y.
Brown, Ohio	Holmes, Wash.	Rees, Kans.
Brumbaugh	Hope	Rizley
Buffett	Howell	Robson, Ky.
Busbey	Hull	Rockwell
Butler	Jeffrey	Rodgers, Pa.
Canfield	Jenkins	Rogers, Mass.
Carlson, Kans.	Jennings	Rohrbough
Carson, Ohio	Jensen	Rowe
Carter	Johnson	Schiffner
Case	Anton J.	Schwabe
Chenoweth	Johnson	Scott
Chilperfield	Calvin D.	Scrivner
Church	Johnson, Ind.	Shafer
Clason	Johnson	Short
Clevenger	J. Leroy	Smith, Ohio
Cole, Mo.	Kearney	Springer
Compton	Keefe	Stefan
Day	Kinzer	Stockman
Dirksen	Knutson	Sundstrom
Dondero	Kunkel	Talbot
Dworschak	Lambertson	Talle
Elliott	LeCompte	Thomas, N. J.
Ellis	Lenke	Tibbott
Ellsworth	Luce	Towe
Elmer	McConnell	Troutman
Elston, Ohio	McCowan	Vorys, Ohio
Fenton	McGregor	Wigglesworth
Fish	McLean	Wilson
Gavin	McWilliams	Winter
Gearhart	Maas	Wolcott
Gerlach	Martin, Mass.	Wolfenden, Pa.
Gillespie	Miller, Pa.	Woodruff, Mich.

NOT VOTING—74

Abernethy	Gallagher	O'Neal
Anderson,	Gibson	Peterson, Ga.
N. Mex.	Gilchrist	Pfeifer
Baldwin, Md.	Granger	Philbin
Barry	Green	Plumley
Bennett, Mich.	Griffiths	Rivers
Bolton	Heidinger	Robinson, Utah
Bonner	Johnson, Ward	Sheppard
Boren	Jones	Sheridan
Buckley	Kennedy	Simpson, Pa.
Burdick	Keogh	Smith, W. Va.
Capozzoli	Klein	Smith, Wis.
Carrier	LaFollette	Somers, N. Y.
Chapman	Landis	Stanley
Cox	Lewis	Starnes, Ala.
Dawson	McCord	Stearns, N. H.
Dies	McMurray	Stevenson
Douglas	Magnuson	Stewart
Eaton	Martin, Iowa	Stigler
Fellows	Marrow	Treadway
Fernandez	Miller, Mo.	Welchel, Ohio
Fogarty	Morrison, N. C.	Welchel, Ga.
Forand	Murdock	White
Fulbright	Newsome	Whitten
Fuller	O'Connor	Wiley

So the conference report was agreed to.
The Clerk announced the following pairs:

On this vote:

Mr. Abernethy for, with Mr. Martin of Iowa against.
Mr. Keogh for, with Mr. Miller of Missouri against.
Mr. Whitten for, with Mr. Fuller against.
Mr. Capozzoli for, with Mr. Simpson of Pennsylvania against.
Mr. Magnuson for, with Mr. Douglas against.
Mr. Kennedy for, with Mr. Wiley against.
Mr. Peterson of Georgia for, with Mr. Gallagher against.
Mr. Somers of New York for, with Mr. Ward Johnson against.
Mr. Pfeifer for, with Mr. Lewis against.
Mr. Buckley for, with Mr. Jones against.
Mr. Sheppard for, with Mr. Welch of Ohio against.

Mr. Pheifer for, with Mr. Lewis against.
Mr. Forand for, with Mr. Smith of Wisconsin against.

Mr. Barry for, with Mr. Treadway against.
Mr. Klein for, with Mr. Stevenson against.
Mr. Fogarty for, with Mr. Heidinger against.

General pairs:

Mr. Stigler with Mr. Plumley.
Mr. McCord with Mr. Eaton.
Mr. McMurray with Mrs. Bolton.
Mr. Baldwin of Maryland with Mr. Carrier.
Mr. Chapman with Mr. Bennett of Michigan.
Mr. Fulbright with Miss Stanley.
Mr. O'Neal with Mr. Fellows.
Mr. Robinson of Utah with Mr. LaFollette.
Mr. Sheridan with Mr. Stearns of New Hampshire.

Mr. Newsome with Mr. Griffiths.
Mr. Cox with Mr. Merrow.
Mr. Bonner with Mr. Gilchrist.
Mr. O'Connor with Mr. Burdick.

Mr. GATHINGS and Mr. DEWEY changed their votes from "nay" to "yea."
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by my colleague the gentleman from Illinois [Mr. DIRKSEN].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of Whole House on the state of the Union for the consideration of the bill H. R. 4947, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I am glad the House has sustained the practices and precedents that have been proven by time and experience to be wise, and that this bill will be considered under the fair and open rule which the committee requested.

I think we all realize how important effective price control is at this time in our national emergency. Whatever complaints we have heard—and many of them have been just—I think the administration of that law has been most effective as compared with the conditions that existed in the last World War. The benefits to the people and the Nation by reason of the act have been immeasurable. For 40 days the Committee on Banking and Currency held hearings. Everybody who had a complaint, everybody that represented any considerable number of people or any organization that comprised a considerable membership, was invited to come before that committee and voice their complaints. There was no abridgment of the right of the freedom of speech, and they exercised their constitutional right to peaceably assemble and petition the Government for redress of grievances. But the outstanding thing that appealed in all the complaints was that every one of them could have been remedied by administrative action. There is no complaint about the law that has been passed by this Congress.

The Committee on Banking and Currency considered this measure three times. They passed the original Price Control Act and the Stabilization Act in 1942. They had lengthy hearings on both bills and we then passed this act. These acts have been tested in the courts of the country, and in every instance they have been upheld as constitutional. I know men are jealous of their constitutional rights; that they shall not be denied equal rights under the law; that their property shall not be taken from them without due process of law. These are the rights that they should zealously assert, but in these times it is not only their rights which are in jeopardy but the Constitution itself, and when the interest of the state conflicts with the interest of individuals, they must give way to the interest of the state, the supreme law.

Many of these people have had complaints that were just, but they were complaints incident to the enforcement of the law that was necessary in these emergent times, and I think when we consider this bill we must consider it in the light of this great national emergency and national peril that exists at the present time.

I say, too, that if you do not treat all the people who come under price control with equal justice you will weaken this law. There is a move on now, I know, for special privilege. If they attain their ends they will be in the position of the dog in Aesop's fable who, going across the bridge with a bone in his mouth, saw the magnified shadow in the waters beneath and jumped for the shadow and lost the substance. That is what is going to happen unless you treat this act with the consideration it deserves. If you are going to act upon the complaints or desires of every individual who wants relief, it is obvious to me, as it must be to you, that you will have no act at all, because it is obvious that the President would veto such an act, and I think it would be his duty under the law to do so. The

greatest strength of this act is that everybody similarly situated can be treated substantially the same.

The act as originally passed was upheld by the court. Litigants came before the court and contended that they had a right to bring their suits in the courts of the States and in the Federal courts, as they had previously done. The Supreme Court of the United States upheld the jurisdiction of the Emergency Court of Appeals and said the act could not be successfully administered if construed and enforced by the 85 district courts and the 11 appellate district courts, and that it was necessary in order for uniformity of decisions and to have uniform operation of this law that there should be one court which should decide all of these questions.

Heretofore a regulation or an order formulated and adopted by the O. P. A. became incontestable if it was not contested after 60 days. Of course, that is not in accordance with the ordinary practices that prevail in usual and customary times. But we have liberalized that. We have said that one aggrieved may contest the order at any time. We have said that if one desires to contest an order—and it can only be contested in the Emergency Court of Appeals, as to allow it to be contested in the various courts would find divergent and various decisions in many of the districts of the United States—we have said that when the Administrator brings a suit against an individual for compliance with an order or a regulation, and the defendant has brought proceedings to test the legality of that order before the Administrator, or desires in good faith to contest that order, the district court will grant a stay at any time during the pendency of the case and within 5 days after judgment, in order to allow him to contest the legality of the order under which the proceedings are instituted. If the Emergency Court of Appeals finds that the order is legal, it certifies it to the district court, and the district court is bound by the order. If the order of the court is against the legality of the regulation, the defendant will be dismissed.

This liberalizes the procedure very greatly and will give to many the relief they could not have had before. It liberalizes the law that the court said was a constitutional delegation of authority.

It has been attempted to raise the question that the powers delegated to the administrator were legislative in character, hence could not be sustained, but the courts have drawn a distinction between the N. I. R. A. and these decisions. They have said that these delegations were not legislative, they were administrative. If the Congress delegates to a commission the powers it has, without limitation or without definition, they are legislative. I regret the Congress many times has done this. But if we delegate powers that are defined and restricted, even though the compass in which they may operate is large and the discretion given may be great, they are not legislative powers but administrative powers. Those are the powers we granted to the administrator and we have directed him to use those powers. If he does not use

them in accordance with our wishes, it is very difficult to correct them by legislation. The powers that we delegate are essentially administrative. If you were to attempt to remedy by legislation all the complaints that have been made, you would have an act that was unwieldy and could not be construed or enforced by the courts; yet everyone who has suffered at all by reason of the operation of the O. P. A. thinks he ought to have an act to remedy his particular complaint.

I think the present administrator has had rather a bad heritage, and I am not criticizing his predecessor.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Is there any appeal either by the O. P. A. or by the citizen from any action taken by the Emergency Court of Appeals?

Mr. SPENCE. Absolutely. Any decision of the Emergency Court of Appeals may be reviewed by the Supreme Court of the United States by certiorari. One can go directly from the Emergency Court of Appeals to the Supreme Court of the United States for a writ of certiorari. That is either granted or denied by the Supreme Court. That is the manner in which most of the decisions of the lower Federal courts are reviewed now.

Mr. ROBSION of Kentucky. What must appear before there can be an appeal from the Emergency Court of Appeals to the Supreme Court?

Mr. SPENCE. They have a right to review any decision affecting the validity of an order or regulation, by certiorari.

Mr. ROBSION of Kentucky. But it does not go to passing on questions of fact?

Mr. SPENCE. No; it does not go to questions of fact. There is no question of facts involved. It is only a question of whether it is legal or illegal, and the Supreme Court passes upon that question.

We have also liberalized the rent provisions. While there is a base period for the exercise of all the powers, and there must be, they must be regulated by general order because it would be absolutely impossible to make specific findings in each case. For instance, in connection with rent control, with eight or nine million houses involved, these general orders operate like the general law. The law, being rigid and universal in its application, cannot render justice in all cases. That is the reason equity is established, to supply that wherein the law by reason of its universality is deficient.

That is the reason we have given the Administrator here the opportunity to correct gross inequities or inequalities. I do not know what more you could do to make this law effective except to give every man who has a complaint and every interest that wants some special privilege an amendment to remedy his complaint. We have also authorized the appointment of committees of the Committee on Banking and Currency of the House and committees of the Committee on Banking and Currency of the Senate to investigate the proceedings of the

O. P. A. to ascertain whether or not they are effective and whether or not they have operated according to law. Both of these committees, which will operate separately, have the right to subpoena persons and to bring before them papers and documents; and to report. I think this constant supervision of the House and Senate over these administrative agencies will have a fine effect. I think if we all could have somebody to whom we can go and state the complaints of our constituents and know that they are being considered, it will make us all feel more comfortable and more satisfied with the administration of this greatly necessary agency.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield at this point?

Mr. SPENCE. I always yield to my good friend the gentleman from Pennsylvania.

Mr. WRIGHT. I wish to congratulate the gentleman from Kentucky, the chairman of the committee, and also the committee, for introducing this innovation. It strikes me it is impossible for Congress to administer the O. P. A. It is not geared or equipped to do it. It is not staffed to do it. The only way Congress can really exercise its legislative function in connection with such a vast program as the O. P. A. is to review it afterward. If there are some complaints as to the way O. P. A. or any other function of government is being administered, and to have the legislative committee in charge of it hear the complaints, talk it over with the Administrator, and suggest legislative changes or changes in the regulations. I think it is the greatest step forward in asserting or reasserting the prerogatives of Congress.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield in that connection?

Mr. SPENCE. I yield.

Mr. WHITTINGTON. In connection with the price control of textiles there are many complaints that the low-grade articles such as denim and overalls are not available. While we understand, of course, that the Army and Navy come first, what can we say to our constituents who complain about the desperate need of more civilian goods of the types to which I refer?

Mr. SPENCE. I do not think that problem can be met by a hard-and-fast law which would be a mandate to them as to what they should do in that matter. That is an administrative matter. I have heard that complaint. It may be true. But I do not think you can remedy that by making any subsidies to textile manufacturers. That is an administrative matter and ought to be taken care of and can be taken care of by the War Production Board and the O. P. A.

Mr. WHITTINGTON. They are authorized to take care of it under existing law, and under this law as it has been reported by the Committee on Banking and Currency?

Mr. SPENCE. I think they are. I think that the War Production Board can compel the production of whatever may be necessary for our war effort. We also have in this bill a provision that

labor disputes between the railroads and their employees shall be administered under the Railroad Labor Act and the agencies set up therein. For almost 20 years this machinery has been set up. It has worked admirably. We have felt that those who regulate railroad wages ought to have some knowledge of railroad rates, that they are so inseparably connected that it would be impossible for a board not having knowledge of the railroad structure, the railroad capital structure, of rates and all the other incidents of the industry, to regulate wages of railroad labor.

The past experience and the accomplishments of that Board we thought justified continuing its functions during this emergency in this respect. However, it must make its orders in conformity with the policy set up for the control of inflation. I personally believe this is a provision that will make for industrial peace. I believe the settlement of these questions ought to be under the Railroad Labor Act. The Senate has such a provision.

As to prices and wages and rents, there is a base period. We have not changed that. We have said in each instance that where factors justify it with reference to rents and prices that changes may be made to do justice between the parties. I think that is about all we can do. I believe there has been no legislation presented to this Congress except that legislation which appropriated money for our national defense, which is half as important as this legislation. I hope nothing will be done to weaken it. Those who are seeking special privileges would be destroyed by their own act if they weaken this act. It is essential for every man and woman in America that we control the prices of our goods, the rents of our properties, and the wages of our labor. In the last war we saw the inflation, and after the war the deflation destroy hundreds of thousands of people, make their property worthless, and leave them poverty stricken. After inflation, deflation is just as sure to come as the night follows day. I hope nobody will do anything that might bring about such conditions again. I hope you will consider the amendments that may be proposed carefully. I know how earnestly you want to help your constituents. I know how appealing it is when your constituent comes to you and says, "I have been subject to imposition." I know how you want to help him, but I hope that before you go far to help him you will consider the effect it will have on the general good and common interest of our country. The boys over there today are holding the line amidst shot and shell on those bloody battlefields. God bless them and protect them. May we hold the line against the insidious forces that are always here which might destroy us at home. When they come back may they have every right and every privilege that we have had. I believe in the Constitution of the United States and in our form of government. I do not believe there is any government that has ever been devised by man that has half its virtues. As Gladstone said, our Constitution is the greatest instru-

ment ever struck off at a given time by the brain and purpose of man.

I believe in that Constitution and in our Government. But in times like these let us forego some of the rights under that Constitution in order that we may all benefit.

In that spirit I hope they will administer the law that we pass, and that complaints can be brought to the Administration and can be remedied. But I hope they will do nothing to weaken a law that every court in the land has stated is constitutional. The great Chief Justice of the United States, Justice Stone, rendered a decision not long ago. He described the chaos that would result if men could bring their suits in every court in the United States and in every State court, and take appeals to the 11 circuits.

Mr. HOFFMAN. Will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HOFFMAN. What provision is there in the present bill to take care of such a situation as this: Jenkins Bros., Inc., of Bridgeport, Conn., had their prices frozen as of October 1941. They were making steel valves and mechanical rubber goods. On February 9 of this year the War Labor Board ordered retroactive payment, or payment of back wages, amounting to some \$700,000. What can a company do in that kind of a situation?

Mr. SPENCE. The Price Administrator did not freeze the labor. That was the War Labor Board.

Mr. HOFFMAN. The O. P. A. froze the price. They fixed the price on the finished product. Then, 3 years later, another branch of the Government orders an increase in wages.

Mr. SPENCE. How are we going to remedy that in the law?

Mr. HOFFMAN. I can make a suggestion. The amendments offered by the gentleman from Virginia [Mr. SMITH], combined the Stabilization Act and this O. P. A. Act, so that that thing could not be done. It put it under one Administrator.

Mr. SPENCE. Well, we did not consider that.

Mr. HOFFMAN. That is the trouble.

Mr. SPENCE. If it is considered, it should be considered in a separate act, and it should not be put in here by the Rules Committee after 1 hour deliberation when we devoted 40 days of hearings to this bill, and then spent 3 or 4 days in executive sessions.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has again expired.

Mr. SPENCE. Mr. Chairman, I yield myself 1 additional minute.

Mr. HOFFMAN. I am not talking about the action of the Rules Committee when or in what manner, or how the thing could be remedied, except I am pointing out that the O. P. A. fixed the price for the finished product, and the War Labor Board fixed the wages, and it is impossible for the company to manufacture at that price. What should the Congress do about it?

Mr. SPENCE. Well, I do not know. I cannot tell you what the Congress can

do about it. That is a question involving the War Labor Board, and is not under consideration here, and has no place in this discussion which should be confined to the bill.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has again expired.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

EXTENSION OF PRICE CONTROL AND STABILIZATION

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, we heard dozens of witnesses on the question of extending the Price Control and Stabilization Acts. It is interesting to notice that not one single witness advocated repeal of the law. Not one single witness stated that the law should not be extended. I do not believe there has been a single communication received by any member of the committee advocating that this law be not extended.

OUR CHAIRMAN

In the beginning I want to say a word about the chairman of our committee.

He sat as chairman of the committee for more than 40 days and heard witnesses, morning and afternoon and sometimes late evenings. In addition to that we had executive sessions for several days. Our chairman was not only kind and considerate of the wishes of every witness, but he was very patient with the committee, as well as the witnesses. I think he has done an excellent job on this bill. He presided with dignity, discretion, and fairness. I do not believe that any witness will say a word in protest of the treatment he received, and I am sure no member of the committee has any objection to the way the proceedings were conducted, because under the leadership of the distinguished gentleman from Kentucky [Mr. SPENCE] every witness was given all the time that could possibly be spared under the circumstances, and sufficient time to please the witnesses. Every member of the committee was given all the time he desired to interrogate witnesses.

THE PRESIDENT, BYRNES, AND VINSON

In addition to complimenting the distinguished chairman of the committee I desire to say, as one who has followed price control and wage stabilization from the beginning, that there are others in Washington who are entitled to words of praise and commendation. In addition to President Franklin D. Roosevelt, who manifested more vision in connection with inflation than any other person, I have in mind, Mr. Justice James Byrnes, who resigned from a position on the Supreme Court of the United States, paying a salary at least twice as much as the salary he has been receiving in the office that has often been referred to as Assistant President of the United States. He gave up many valuable rights to take this place. It is a very difficult job. I think anyone who is willing to make that kind of a sacrifice in wartime is entitled to be praised and commended.

In addition to that, Judge Fred Vinson, holding a constitutional judgeship in a United States Federal court, resigned his place and became Economic Stabilizer, a place where he seldom receives a word of praise. However, he is doing a necessary job that someone must do, and which requires a man like Fred Vinson, who not only has knowledge and ability, but has the courage of his convictions.

It is true the decisions of these gentlemen are not always pleasing to us, but we view these problems oftentimes from a restricted viewpoint, as they affect our own particular districts or the people we have the honor to represent. These gentlemen, along with the President of the United States under whom they serve, must view these problems from an overall standpoint and not consider them from the standpoint of any particular constituency or any Member of Congress or the people of any particular State but of all the people of the United States.

The Price Control Act was enacted into law on January 30, 1942. That was the Price Control Act. The Stabilization Act became law on October 2, 1942. I believe everyone in Congress feels that these acts are well worded and provide sufficient powers to control inflation. I think these acts represent more the knowledge, ability, and hard work of Leon Henderson and David Ginsburg than any other two men. I had the privilege of working with those gentlemen when they were framing these acts, as did other members of the committee. We worked sometimes until 12 and 1 o'clock at night. We had many disputes about the language that should go into those acts, but generally they are well worded to carry out the objects and intentions of Congress. I think the Congress is to be commended for the first time in history, during a war, to make an effort to prevent inflation. No other Congress in the history of this Nation has ever made that attempt.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield.

Mr. PATMAN. I hope the gentleman will not ask me to yield just now.

Mr. HARNESS of Indiana. I wanted to inquire about the intention of Congress.

Mr. PATMAN. If the gentleman will not insist, I will appreciate it very much, with the assurance that when I get through I will be very glad to yield.

SIXTY-FIVE BILLION DOLLARS SAVED ON WAR COST ALONE

This law has actually worked. The gentleman from Michigan [Mr. Wolcott] is one of the ablest members of our committee, and one of the ablest men in this House. He made a fine speech a short time ago on this bill. I congratulate him on the speech he delivered on the floor of this House in connection with this proposed bill. But the gentleman from Michigan [Mr. Wolcott] made one statement with which I do not entirely agree. In fact, I disagree with the gentleman about it. That is, that there is no particular way or exact standard or guide that will enable us to determine that we have actually saved \$65,000,000,000 by reason of the enactment of these acts up to a certain period of time. I take issue with the

distinguished gentleman on that, and I desire to cite proof to substantiate the statement I am making.

It is not fortunate that we had another war, World War No. 1, but since we had that war, and it cannot be changed, we are fortunate that we have a similar period of time that we can measure with the period of time we are now going through and have gone through in World War No. 2, as to prices.

So if we will go back and ascertain prices during the first 52 months of World War No. 1 and then come up to World War No. 2 and determine prices for the same period of time, 52 months from the time the war started, and determine how much it cost to buy certain things during that period in the first war and the cost of buying the same things during World War No. 2, during exactly the same period of time—I think that is an excellent guide to go by—if we do that we shall discover that if we had paid the same prices during the 52 months of World War No. 2 that we paid during the 52 months of World War No. 1 for the identical commodities and articles and goods purchased we shall discover that we saved \$65,000,000,000 on the war cost alone during the first 52 months of this war. This is something that I think is of great interest. In fact I believe we have saved a lot more than that for I believe prices would have gone much higher in World War No. 2 during those 52 months than they went during World War No. 1 because the inflationary pressures were several times as great during the first 52 months of World War No. 2 as they were during the first 52 months of World War No. 1. Instead, therefore, of minimizing the importance of the statement—it is easily proven by taking a notebook and pencil and figuring it out for yourselves—instead of minimizing the statement we should say that we have saved a lot more than that because inflationary pressures have been so much greater that prices would have gone so much higher in this war than they did during World War No. 1.

This law has actually worked. Not only did we save \$65,000,000,000, which is equal to \$500 for every man, woman, and child in America, but it means that our national debt would be \$65,000,000,000 more today that it is had it not been for this law. Not only that, but the consumers of this country have saved \$22,000,000,000 during the same period of time, or \$700 for every family in the United States. Let us disregard the \$22,000,000,000, however, and consider only the \$65,000,000,000 we know we have saved and that we can prove we have saved.

The interest on that \$65,000,000,000 at a rate that is considered the going rate of interest for the Government, on that \$65,000,000,000 would be a lot more in 1 year than the entire cost of the administration and enforcement of these laws to date. So it has been a mighty good investment and Congress should be exceedingly proud of it.

During World War No. 1, civilians obtained 75 percent of all the goods that were produced; only 25 percent went to

the war effort; but in this war the war effort already is using 46 percent of all goods, and only 54 percent is going to civilians; so there is an inflationary pressure there. We are spending money at the rate of seven and one-half billion dollars a month for the war. That goes into the channels of trade and distribution, and represents a highly inflationary pressure.

STILL PAYING INTEREST ON UNNECESSARY COST OF LAST WAR

The cost of World War No. 1 was \$32,000,000,000. That is a large amount—\$32,000,000,000. If during World War No. 1 Congress had enacted similar laws to those that were enacted during World War No. 2, and they had worked as well the cost of World War No. 1 would have been only \$18,500,000,000 and we would have saved \$13,500,000,000. The latter figure represents really unnecessary cost, and we are still paying interest on it.

Under price control small businesses have gotten along well, but many business operators have complained about the forms and regulations they have to be governed by. Naturally they would, because they are not accustomed to them, but it is during war that we have got to have some kind of controls, including rationing. They realize it, and generally the number of failures in small businesses has been much less than in any other period of time during the last 50 years. So small business, contrary to the report that is made oftentimes, has done well under the administration of O. P. A.

What would be the alternative if we did not have price control and wage stabilization? The alternative would be that prices would go out of sight, wages would go out of sight, we would have inflation, and then we would have a collapse. The reason the collapse after the last war was no greater than it was—and it was very great, and very harmful, and very devastating—the reason it was no worse than it was was because the inflation was no worse. A collapse is always as bad as the inflation preceding it; so in order to prevent this kind of inflation we have got to have controls. If we do not maintain these controls, our bonds will not be worth anything, our money will not be worth anything, our bank deposits will not be worth anything, the insurance money that is returned to people will not buy anything to speak of in the stream of inflation we would likely have. People who are on fixed salaries and wages would have their purchasing power absolutely destroyed. They represent the middle class. The old-age-assistance group would be wiped out so far as their purchasing power is concerned, and it would absolutely destroy the country here on the home front.

I know these rules and regulations are burdensome to people, are annoying and irritating, but with this good report that can be made of savings I believe we can well afford to put up with a lot of things we do not like.

I have heard it said that Mr. Bowles and others are advocating that after this war is over these controls and so-called regimentation—and a lot of it has got to

be regimentation—and rules be continued even during peacetime and after they are unnecessary. I want to definitely and positively deny that for Mr. Bowles, because I know his views are just the opposite. He has never made such statements to my knowledge, and I have read a lot of his speeches and have heard him a lot of times before committees and elsewhere; his view is that we shall probably have to carry on price control and rationing for a time after the war, not long, but until the dangers of inflation are over. I agree to that; you agree to that; everyone who has studied the problem will agree that we must do that. We have history to look back to and find out for ourselves that the greatest danger of inflation is just after the war is over.

That is the greatest danger of inflation. After this war is over people will want to cash their bonds, they will want to convert what they have into money to buy automobiles, they will want to buy refrigerators, they will want to build homes and buy other things and it will be necessary to maintain some controls until that dangerous period is over, until we can get back into production and get them back to normal condition of supply and demand. No one is advocating to my knowledge that these rules, regulations, price controls, and rationing continue on for any period of time beyond that dangerous period immediately after the war is over. No one is advocating that, and I do not think the statement should be made, because I do not know of anyone who is advocating it.

Mr. Chairman, we have a law here that affects 135,000,000. It affects 35,000,000 families in the United States. The law affects 3,000,000 different kinds of business establishments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 10 additional minutes.

ENORMOUS TASKS OF O. P. A.

Mr. PATMAN. These 3,000,000 establishments represent 189,000 manufacturing plants, 93,000 wholesalers, 1,770,000 retailers, and 288,000 service establishments.

We have 8,000,000 different prices. The O. P. A. has fixed more than 8,000,000 different prices on 8,000,000 commodities and articles, including grades, classes, styles, designs, and fashions. The O. P. A. in doing this job will certainly make some mistakes. As long as we have human beings administering laws, mistakes will be made, but remember that O. P. A. has 650,000 telephone calls on an average every day. They have every day, I repeat, 650,000 telephone calls. You cannot conceive of a correct answer being given in the case of every one of the 650,000 telephone calls. We all know the law of averages still exists. That is one law that the Congress cannot repeal. The law of averages would give at least a certain percentage of those answers that would be wrong. You might just as well accept that.

Another thing is that the O. P. A. receives 400,000 letters every business day. Can you expect all those letters to be perfectly answered according to the law and the rules and regulations? Why, certainly not. You would not expect perfection. Even just a small percent of

those answers being wrong could cause a lot of trouble and a lot of complaint. This is one law that cannot be perfectly administered and also satisfactory in every way. During relief times when the Government was giving away money, we never discovered any way that the law could be satisfactorily administered. That was even giving people money. We could never do it satisfactorily.

Here is a law by which you take something from the people. You deny them goods they would like to have, you refuse them the privilege of spending their own money in the way they want to spend it. We have to expect the normal number of complaints and the normal number of cases that are handled in an unsatisfactory way, because human beings are administering this law.

Furthermore, Mr. Chairman, there are a thousand applications for price increases every day. Think of it, a thousand applications for price increases every day.

JUDGE MARVIN JONES AND CHESTER BOWLES

In connection with those who are working and sacrificing comforts and conveniences, and enduring all kinds of hardships, criticism, and censure in an effort to do a good job, I would like to mention one of the finest, the most able and best men I have ever known, a man who served with you gentlemen here for a number of years, a man who is now serving as War Food Administrator, a man who is doing a great job. I refer to Marvin Jones, who is to be commended for his good work. Chester Bowles is an able official, and has brought a lot of common sense to the position that he holds. He has a wonderful staff, he has an excellent group of good business people who know what this job is all about. They know that mistakes have been made, they know that they will be made in the future, they recognize all that, but they are making every effort to speedily adjust a mistake as soon as it is discovered. In other words, if a mistake is made, be in a hurry to get it adjusted. They seem to be doing just that.

Mr. Leon Henderson had no experience to guide him. He was on an uncharted sea. But Mr. Bowles has had some experience to guide him, he is taking advantage of that experience and he is using it in the public interest for the purpose of removing a lot of restrictions, irritations, and annoyances that have caused so much trouble among the people in connection with the enforcement of this act.

RATIONING NECESSARY

Rationing is not directly involved in this law because rationing is not authorized by either one of the O. P. A. acts. Rationing is enforced and administered under the Second War Powers Act which gives to the President of the United States certain power and authority to act. Under the authority of that Second War Powers Act he has caused rationing to be put into effect. Many people say that we should not have rationing but I do not think they are considering the over-all picture. I do not think they have all the information on the subject. If they did have all the information they would not advocate the abandonment of rationing.

Rationing is the poor man's friend, rationing gives to the poor fellow, the one without influence, without prestige or power, his part of the goods that are made, his part of this scarce, limited supply of goods. It is right. I know when we had trouble down in the Gulf of Mexico with submarines and sugar could no longer be sent up the eastern seaboard to New York, Philadelphia, and Baltimore, sugar had to be sent over to Houston, Tex. It had not been sent there before to go to these points. The consequence was that all warehouses down there were filled up quickly. They were overflowing. Newspaper reporters went down there and took pictures of these big warehouses loaded down, their sides bursting almost because they were filled with sugar. They stated, "Here are enormous quantities of sugar. Why ration sugar?" But they overlooked the fact they were just diverting that sugar around through Houston and it had to be sent by rail the rest of the way up to Baltimore, Philadelphia, and New York.

When you look at the picture over-all you will find that there is a necessity. Furthermore, in the case of sugar, if we did not have some kind of rationing a large percentage would go into moonshine liquor and the making of nonessentials even to the extent that our armed services would probably not get the amount of sugar to which they are entitled.

SUGAR USED IN SYNTHETIC RUBBER PROGRAM

Let us consider the synthetic rubber program for a minute. It is going to require and is requiring a million tons of sugar a year in the synthetic rubber program alone. That is 16⅓ percent of all the sugar that we normally have available. You never hear anybody say anything about that. You cannot take a million tons of something away at a time and not have a scarcity in that commodity when we only have available five or six million tons a year normally.

Mr. Chairman, I hope this law will be passed without crippling amendments. There are three amendments in the bill to which I am opposed, because, in my opinion, they are crippling amendments.

CRIPPLING AMENDMENTS

I am not accusing any member of the committee of deliberately trying to cripple or emasculate the act, but I do say that certain amendments are crippling and very harmful in the enforcement of this law. We have one such amendment, and that might be called the cost accounting amendment. The other amendment is taking the 60-day limit off, which now requires you have to contest these regulations in 60 days; just remove it entirely. I was opposed to that, and I think that is a crippling amendment.

Another crippling amendment, harmful and almost devastating—I am not so sure it is not devastating—is the amendment that strikes out certain language about circumvention and evasion of the law. Under the present act business practices cannot be changed. That is all right. We should not change them. I was very much in favor of that when it went in at first, when the law was enacted, but we had a provision in there reading—

Except where business practices were used to circumvent or evade the law.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. I yield the gentleman 3 additional minutes.

Mr. PATMAN. That is all right. It should be in there, but the committee, in passing on this, struck out that language about circumvention or evasion. That permits fraud to be practiced, and we go on record in favor of circumvention and evasion of the law. How can you say that is not crippling? It is crippling. That amendment should be taken out of there, and I hope in the consideration of this bill it will be taken out.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arizona.

WHAT \$43.75 WOULD BUY IN FIRST WAR COMPARED TO THIS ONE

Mr. MURDOCK. I feel that I should not interrupt the gentleman's splendid statement, but I would like to ask the gentleman whether he has seen this comparison which I hold in my hand.

Mr. PATMAN. Yes; I put that in the RECORD the other day, but I did not put it in parallel columns. I am going to ask unanimous consent in connection with these remarks, when we go back into the House, that I may have the privilege of inserting it in parallel columns like it is here:

THEN AND NOW

In the third year after our entry into—

The last war \$43.75 would buy—	The present war \$43.75 will buy—
One barrel Swansdown flour;	One barrel Swansdown flour;
One hundred pounds sugar;	One hundred pounds sugar;
And nothing else!	And these 88 other items—
	Choisa Ceylon tea, 1/4-pound package.
	Red Label coffee, 1-pound bag.
	Swansdown baking powder, 1/2-pound tin.
	Overland peanut butter, 1-pound jar.
	Overland wheat cereal, 28-ounce package.
	Shredded wheat, 12-ounce package.
	Overland premium chocolate, 1/2-pound cake.
	Baker's Dutch process cocoa, 1/2-pound tin.
	S. S. P. sweet biscuits, 1-pound package.
	Educator Crax, 1-pound package.
	Sunshine Krispy crackers, 1-pound package.
	Uneda biscuits, 4-ounce package.
	Pennant butter cookies, 12-ounce package.
	Red Label large eggs, dozen.
	Overland vanilla extract, 2-ounce bottle.

Epicure boneless codfish, 1-pound box.

Red Label salmon steak, 7 3/4-ounce tin.

Red Label red Alaska salmon, 16-ounce tin.

Quaker yellow corn meal, 24-ounce package.

Swansdown corn starch, 1-pound package.

Swansdown pancake flour, 20-ounce package.

Pie crust mix, 8-ounce package.

Pillsbury's cake flour, 2 3/4-pound package.

Choisa pulled figs, 1-pound package.

Overland 18-24 prunes, 1-pound package.

Epicure seeded raisins, 15-ounce package.

Epicure seedless raisins, 15-ounce package.

Overland watermelon rind, 10-ounce jar.

Red Label apple sauce, No. 2 tin.

Red Label strained cranberry sauce, 1-pound jar.

Red Label fruit salad, No. 2 1/2 tin.

Red Label fresh flavor peaches, No. 2 1/2 tin.

Red Label orchard ripe pears, No. 2 1/2 tin.

Red Label sliced pineapple, No. 2 tin.

Epicure gelatine, package 4 envelopes.

Overland clover blossom honey, 1-pound jar.

Choisa herring salad, 4-ounce jar.

Overland olive spread, 5-ounce jar.

Choisa sardine spread, 3-ounce jar.

Choisa fig jam, 2-pound 3-ounce jar.

Overland grape jam, 1-pound jar.

Overland strawberry jam, 1-pound jar.

Prune jam, 1-pound jar.

Overland crab-apple jelly, 12-ounce jar.

Overland grape jelly, 12-ounce jar.

Overland guava jelly, 12-ounce jar.

Overland macaroni, 12-ounce package.

Overland spaghetti, 12-ounce package.

Epicure orange marmalade, 1-pound jar.

Raspberry-flavored marmalade, 1-pound jar.

Red Label sliced bacon, 1-pound package.

Epicure boned chicken, 3 1/2-ounce jar.

Overland chicken spread, 4-ounce jar.

Overland ham spread, 4 1/2-ounce jar.

Armour's lunch tongue, 12-ounce tin.

Ready-cut smoked turkey, 1-pound jar.

Swift's Prem, 12-ounce tin.

Red Label chicken fricassee, 14 3/4-ounce jar.

Royal Purple evaporated milk, 14 1/2-ounce tin.

Overland queen olives, 4 3/4-ounce bottle.

Overland stuffed queen olives, 6-ounce bottle.

Wesson oil, quart bottle.

Overland sweet midget gherkins, 10-ounce bottle.

Overland sour mixed pickles, 15-ounce bottle.

S. S. P. French dressing, 8-ounce bottle.

Swansdown salt, 2-pound package.

Red Label clam chowder, 11-ounce tin.

Red Label cream of tomato soup, 16-ounce tin.

Red Label green turtle consommé, 13-ounce tin.

Red Label tomato soup, 10 1/2-ounce tin.

Red Label vegetable soup, 10 1/2-ounce tin.

Overland cider vinegar, gallon jug.

Red Label tomato juice, 24-ounce tin.

Overland tomato juice cocktail, 26-ounce bottle.

Overland oven-baked pea beans, 28-ounce pot.

Red Label tiny stringless beans, No. 2 tin.

Red Label sliced beets, No. 2 tin.

Red Label julienne carrots, No. 2 tin.

Red Label golden bantam corn, No. 2 tin.

Red Label whole kernel corn, No. 2 tin.

Red Label spinach, No. 2 1/2 tin.

Red Label tomatoes, No. 2 1/2 tin.

Epicure grape juice, pint bottle.

Red Label grapefruit juice, No. 2 tin.

Red Label pineapple juice, No. 2 tin.

Epicure prune juice, 32-ounce bottle.

S. S. P. cold cream soap, box 12 cakes.

Five-pack Overland perfecto cigars.

HAS O. P. A. PRICE CONTROL KEPT PRICES DOWN?

As this demonstration shows, O. P. A. price control has been of great benefit to the consumer in keeping prices down. The comparison of what \$43.75 would buy then and now is dramatic evidence of what can—and does—happen when prices are not controlled.

This exhibit brings up to date a comparison of prices which we have presented from time to time during the past 25 years, as a matter of general interest.

Because these items were much in the public mind, a barrel of flour and 100 pounds of sugar were used as the original basis for comparison.

Mr. MURDOCK. I would like to say to the gentleman that I remember the situation in the other World War, at a comparable time. I remember that we had to pay \$43.75 for the quantities of flour and sugar as indicated here, and I note by my present purchasing that all these things may be added.

Mr. PATMAN. And 88 more in addition to the barrel of flour and the 100 pounds of sugar.

Mr. MURDOCK. I can overlook a good many mistakes made by O. P. A. when I think what the consuming population of America has been saved by this Administration.

Mr. PATMAN. I thank the gentleman.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GILLESPIE. The gentleman mentioned a figure of 65 or 68.

Mr. PATMAN. Sixty-five billion dollars. At the end of this year there will be a saving of one hundred and forty billion—absolute saving—on the war cost alone as compared with prices paid during the last war.

Mr. GILLESPIE. Has the gentleman any figures which would show how much of that would have gone to cotton, corn, and wheat; to the farmers of America?

Mr. PATMAN. Some of it would have gone there. The farmers would have also paid more. During the last war sugar went to 35 cents a pound—several times as much as now. But that was the main thing. The price of wheat and cotton did not go up so much during World War No. 1; it was after the war was over and during the inflationary period. What made it cost so much was the cost of steel, aluminum, and things like that. There is where the war cost was. For instance, steel plate went up 187 percent during that same period of the First World War, and during this war, in the same period, it has not gone up one penny. The same is true as to plate glass, cement, and many other things. There is where the real war cost is.

Mr. GILLESPIE. How much of this \$65,000,000,000 would have been drained off in taxes?

The CHAIRMAN. The time of the gentleman from Texas has expired.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 421, 77TH CONG. CH. 26, 2D SESS.]

H. R. 5990

An act to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes
Be it enacted, etc.,

TITLE I—GENERAL PROVISIONS AND AUTHORITY
PURPOSES; TIME LIMIT; APPLICABILITY

SECTION 1. (a) It is hereby declared to be in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this Act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to assure that defense appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities, and pensions from undue impairment of their standard of living; to prevent hardships, to persons engaged in business, to schools, universities, and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; to prevent a post emergency collapse of values; to stabilize agricultural prices in the manner provided in section 3; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction, to work toward a stabilization of prices, fair and equitable wages, and cost of production.

(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on [June 30, 1944] June 30, 1945, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

PRICES, RENTS, AND MARKET AND RENTING PRACTICES

SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity, or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this

Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods: Provided further, That this Act shall not be construed or interpreted in such a way as to give the Administrator the right to fix profits where such action has no relation to price control.* Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

(b) Whenever in the judgment of the Administrator such action is necessary or proper

in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which, in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. *The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations.* Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order. *Whenever the Administrator shall find that the availability of adequate rental housing accommodations and other relevant factors are such as to eliminate speculative, unwarranted, and abnormal increases in rents and to prevent profiteering, and speculative and disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act shall be forthwith abolished in such areas theretofore designated by the Administrator as defense-rental areas; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area, he may forthwith by regulation or order establish maximum rents for housing accommodations in the area in accordance with the standards set forth in this Act.*

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended.* In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit*

trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, [except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act] or changes in established rental practices.

(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

AGRICULTURAL COMMODITIES

SEC. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 per centum of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), 110 per centum of such comparable price, adjusted in the same manner, in lieu of 110 per centum of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919, to June 30, 1929.

(b) For the purposes of this Act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agri-

cultural commodity equal to the highest price therefor specified in subsection (a).

(d) Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act.

(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 [(a) and (b)] to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.

(f) No provision of this Act or of any existing law shall be construed to authorize any action contrary to the provisions and purposes of this section.

(g) *Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.*

PROHIBITIONS

SEC. 4. (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or to demand or receive any rent for any defense-area housing accommodations, or otherwise to do or omit to do any act, in violation of any regulation or order under section 2, or of any price schedule effective in accordance with the provisions of section 206, or of any regulation, order, or requirement under section 202 (b) or section 205 (f), or to offer, solicit, attempt, or agree to do any of the foregoing.

(b) It shall be unlawful for any person to remove or attempt to remove from any defense-area housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this Act or any regulation, order, or requirement thereunder.

(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Administrator in his official capacity, to disclose, otherwise than in the course of official duty, any information obtained under this Act, or to use any such information, for personal benefit.

(d) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent.

VOLUNTARY AGREEMENTS

SEC. 5. In carrying out the provisions of this Act, the Administrator is authorized to confer with producers, processors, manufacturers, retailers, wholesalers, and other groups having to do with commodities, and with representatives and associations thereof, to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or the other purposes of this Act, but

no such arrangement or agreement shall modify any regulation, order, or price schedule previously issued which is effective in accordance with the provisions of section 2 or section 206. The Attorney General shall be promptly furnished with a copy of each such arrangement or agreement.

TITLE II—ADMINISTRATION AND ENFORCEMENT ADMINISTRATION

SEC. 201. (a) There is hereby created an Office of Price Administration, which shall be under the direction of a Price Administrator (referred to in this Act as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this Act, and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Administrator may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Price Administration, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(b) The principal office of the Administrator shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place. The President is authorized to transfer any of the powers and functions conferred by this Act upon the Office of Price Administration with respect to a particular commodity or commodities to any other department or agency of the Government having other functions relating to such commodity or commodities, and to transfer to the Office of Price Administration any of the powers and functions relating to priorities or rationing conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities; but, notwithstanding any provision of this or any other law, no powers or functions conferred by law upon the Secretary of Agriculture shall be transferred to the Office of Price Administration or to the Administrator, and no powers or functions conferred by law upon any other department or agency of the Government with respect to any agricultural commodity, except powers and functions relating to priorities or rationing, shall be so transferred.

(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250.

(d) The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this Act.

(e) *All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are*

delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders, or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: Provided, That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge.

INVESTIGATIONS; RECORDS; REPORTS

SEC. 202. (a) The Administrator is authorized to make such studies and investigations and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder.

(b) The Administrator is further authorized, by regulation or order, to require any person who is engaged in the business of dealing with any commodity, or who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such person to permit the inspection and copying of records and other documents, the inspection of inventories, and the inspection of defense-area housing accommodations. The Administrator may administer oaths and affirmations and may, whenever necessary, by subpoena, require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

(c) For the purpose of obtaining any information under subsection (a), the Administrator may by subpoena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpoena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

(e) In case of contumacy by, or refusal to obey a subpoena served upon, any person referred to in subsection (c), the district court for any district in which such person is found or resides or transacts business, upon application by the Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection (b), and shall be in addition to the provisions of section 4 (a).

(f) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(h) The Administrator shall not publish or disclose any information obtained under this Act that such Administrator deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, un-

less he determines that the withholding thereof is contrary to the interest of the national defense and security.

PROCEDURE

SEC. 203. (a) [Within a period of sixty days] At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, [within a period of sixty days] at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. [At any time after the expiration of such sixty days any person subject to any provision of such regulation, order, or price schedule may file such a protest based solely on grounds arising after the expiration of such sixty days.] Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing [or ninety days after the issuance of the regulation or order (or in the case of a price schedule, ninety days after the effective date thereof specified in section 206) in respect of which the protest is filed, whichever occurs later], the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.*

(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 240, for relief; and such court shall have jurisdiction by appropriate order

to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

REVIEW

SEC. 204. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereof; except that on request by the Administrator, any such evidence shall be presented directly to the court.*

(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more mem-

bers, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2 or any price schedule effective in accordance with the provisions of section 206. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court, upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule. Except as provided in this section, no court—Federal, State, or Territorial—shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this Act authorizing the issuance of such regulations or orders, or making effective any such price schedule, or any provision of any such regulation, order, or price schedule, or to restrain or enjoin the enforcement of any such provision.

(e) (1) At any time prior to or within five days after judgment in any proceeding brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with sub-

section (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order or price schedule, the court shall stay the proceeding—

(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph may issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of the provision of the regulation, order, or price schedule involved. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205.

ENFORCEMENT

SEC. 205. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 4 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 4 of this Act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 2 or section 202, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than two years in the case of a violation of section 4 (c) and for not more than one year in all other cases, or to both such fine and imprisonment. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 4 of this Act, and concurrently with State and Territorial courts, of all other proceedings under section 205 of this Act. Such criminal proceedings may be brought in any district in which any part of any act or trans-

action constituting the violation occurred. Except as provided in section 205 (f) (2), such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Administrator or the United States Government in any proceeding under this Act.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, price schedule, requirement, or agreement thereunder, or under any price schedule of the Administrator or of the Office of Price Administration or of the Administrator of the Office of Price Administration and Civilian Supply, notwithstanding that subsequently such provision, regulation, order, price schedule, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, price schedule, requirement, or agreement thereunder, the court having jurisdiction of such suit or action shall certify such fact to the Administrator. The Administrator may intervene in any such suit or action.

(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business [may] may, within one year from the date of the occurrence of the violation except as hereinafter provided, bring an action [either for \$50 or for treble the amount by which the consideration exceeded the applicable maximum price, whichever is the greater, plus reasonable attorney's fees and costs as determined by the court] against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word "overcharge" shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer [is not entitled to bring suit or action under this subsection, the Administrator may bring such action under this subsection on behalf of the United States] either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. [Any suit or action under this subsection may be brought in any court of competent jurisdiction, and shall be instituted within one year after de-

livery is completed or rent is paid.] Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. [The provisions of this subsection shall not take effect until after the expiration of six months from the date of enactment of this act.]

(f) (1) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under section 2, or of any price schedule effective in accordance with the provisions of section 206, he may by regulation or order issue to or require of any person or persons subject to any regulation or order issued under section 2, or subject to any such price schedule, a license as a condition of selling any commodity or commodities with respect to which such regulation, order, or price schedule is applicable. It shall not be necessary for the Administrator to issue a separate license for each commodity or for each regulation, order, or price schedule with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under section 2 or section 202: *Provided*, That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or motion pictures, or as a condition of selling radio time: *Provided further*, That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him, and no license may be required of any fisherman as a condition of selling any fishery commodity caught or taken by him: *Provided further*, That in any case in which such a license is required of any person, the Administrator shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

(2) Whenever in the judgment of the Administrator a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any regulation, order, or requirement under section 2 or section 202 (b), or any of the provisions of any price schedule effective in accordance with the provisions of section 206, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the Administrator has reason to believe that such person has again violated any of the provisions of such license, regulation, order, price schedule, or requirement after receipt of such warning notice, the Administrator may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than twelve months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity

or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no such suspension shall be for a period of more than twelve months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his gross sales exceed \$100,000 per annum. Within thirty days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the Administrator's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice; and upon written stipulation of the parties to the proceeding for suspension, approved by the trial court, any such order of suspension may be modified, and the license which has been suspended may be restored, upon such terms and conditions as such court shall find reasonable. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of such license, regulation, order, price schedule, or requirement after receipt of such warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this Act.

SAVING PROVISIONS

Sec. 206. Any price schedule establishing a maximum price or maximum prices, issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to the date upon which the Administrator provided for by section 201 of this Act takes office, shall, from such date, have the same effect as if issued under section 2 of this Act until such price schedule is superseded by action taken pursuant to such section 2. Such price schedules shall be consistent with the standards contained in section 2 and the limitations contained in section 3 of this Act, and shall be subject to protest and review as provided in section 203 and section 204 of this Act. All such price schedules shall be reprinted in the Federal Register within ten days after the date upon which such Administrator takes office.

TITLE III—MISCELLANEOUS

QUARTERLY REPORT

Sec. 301. The Administrator from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

DEFINITIONS

Sec. 302. As used in this Act—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell", "selling", "seller", "buy", and "buyer" shall be construed accordingly.

(b) The term "prices" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials

(except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, and newspapers other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in this Act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (5) rates charged for any professional services.

(c) The term "defense-rental area" means the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of this Act.

(e) The term "defense-area housing accommodations" means housing accommodations within any defense-rental area.

(f) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, hotels, rooming or boarding house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(g) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

(h) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivision, or agency.

(i) The term "maximum price," as applied to prices of commodities means the maximum lawful price for such commodities, and the term "maximum rent" means the maximum lawful rent for the use of defense-area housing accommodations. Maximum prices and maximum rents may be formulated, as the case may be, in terms of prices, rents, margins, commissions, fees, and other charges, and allowances.

(j) The term "documents" includes records, books, accounts, correspondence, memoranda, and other documents, and drafts, and copies of any of the foregoing.

(k) The term "district court" means any district court of the United States, and the United States Court for any Territory or other place subject to the jurisdiction of the United States; and the term "circuit courts of appeals" includes the United States Court of Appeals for the District of Columbia.

SEPARABILITY

Sec. 303. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the

applicability of such provision to other persons or circumstances shall not be affected thereby.

APPROPRIATIONS AUTHORIZED

Sec. 304. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this Act.

APPLICATION OF EXISTING LAW

Sec. 305. No provision of law in force on the date of enactment of this Act shall be construed to authorize any action inconsistent with the provisions and purposes of this Act.

SHORT TITLE

Sec. 306. This Act may be cited as the "Emergency Price Control Act of 1942."

Approved, January 30, 1942.

[Public Law 729, 77th Cong., ch. 578, 2d sess.]

H. R. 7565

A an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President [may] shall, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

Sec. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

Sec. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or -

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by

the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use; and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President [may] *shall*, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries, (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942.

In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in

contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled workweek.

SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on [June 30, 1944] June 30, 1945, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944".

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,"

(2) By striking out "85 per centum" and inserting in lieu thereof "90 per centum".

(3) By inserting after the word "tobacco" a comma and the word "peanuts".

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this Act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment.

SEC. 12. The Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives, respectively, are authorized to conduct investigations as to the effectiveness of the stabilization activities carried on pursuant to this Act, the Emergency Price Control Act of 1942, or otherwise, and as to the effect of such activities upon industry, production, renting and housing, and distribution. For such purposes, either such committee, acting as a whole or by subcommittee, may sit and act at such times, whether or not the Senate or House is sitting, has recessed, or has adjourned, hold such hearings, require by subpoena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, and take such testimony, as it deems necessary. Subpoena may be issued under the signature of the chairman of either such committee or of any member designated by him, and may be served by any person designated by such chairman or member. Such committees, respectively, shall report from time to time to the Senate and House of Representatives the results of such investigations, together with such recommendations as such committees deem advisable.

SEC. 13. This Act may be cited as the "Stabilization Act of 1942".

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. ROLPH].

Mr. ROLPH. Mr. Chairman, quoting from my remarks in this Chamber to November 25, 1941, and referring to the committee vote which originally brought price control to the floor of the House, I said:

The vote of 18 to 5 shows that this legislation is by no stretch of the imagination a partisan measure.

In voting the present extension, our committee cast not one negative vote. Price control continues to be anything but a partisan measure.

Price control is a success. Critics of O. P. A. do not find fault with the law. They complain about the way it is being administered.

On November 25, 1941, I made this further statement:

We need planes, tanks, ships, and munitions of all sorts for national defense. That is the thought underlying price-control legislation.

How well we planned is set forth by the Office of Price Administration itself on page 87 of the Bureau's brochure entitled "Renewal of the Price Control Act." Several Members have referred to this sixty-five billion, and I just want to quote exactly from the O. P. A. records:

One hundred and thirty-six billion dollars was the cost to the taxpayers up to January 1, 1944, of fighting World War No. 2. We have seen the record of comparative prices of the two wars. We know that the cost of World War No. 1 was increased 72 percent by unnecessary price rises. We have seen on previous charts six comparisons showing the far greater inflationary pressures of World War No. 2. If prices of war materials had increased to the same degree as during World War No. 1, \$65,000,000,000 extra would have been already added to the cost of the present war. Whether the actual figure would have been more or less than that huge sum is anybody's guess.

Congress takes just pride in the record. But our efforts would have been in vain unless the people themselves had backed us up. When originally voting for price control we knew full well this form of regimentation had no chance of success without almost unanimous public approval. People responded wholeheartedly.

Witnesses by the score appeared before our committee. It would seem that every comma, every phrase, every word in the law had been gone over with a fine-tooth comb. Representatives from the country over were given an opportunity of setting forth their ideas and opinions. In hundreds of cases where individuals or groups were unable to present their views in person they sent resolutions, wires, letters, or releases. All desire price control to be continued.

When I was home a short while ago, I heard only one man ask that the law be repealed. While almost everyone has his or her individual idea as to how O. P. A. should be run, it is evident we cannot write a bill satisfactory to each individual.

Other Members will talk to you about various items, procedures, and practices. Rent control is the subject I will discuss. What I am working for is fair treatment to tenant and owner alike.

In San Francisco rents were frozen on March 1, 1942. My city was one of the first places declared a defense area. Many owners rented their property at abnormally rents during the depression, for two reasons: First, because property deteriorates very rapidly unless it is occupied, and, secondly, to give those people whose incomes had declined so greatly in the depression an opportunity to get suitable living accommodations. In many instances the tenants themselves,

whose incomes have increased greatly, would be glad to pay increased rents, but under the O. P. A. regulations they are prevented from doing so.

In order to clear up this situation, and so as to make the law satisfactory to all parties concerned and to be fair to landlord and tenant, I introduced an amendment which would take care of 80 percent of the complaints against rent control. I would like to read that amendment at this time:

Amend section 2 (b) by adding at the end thereof the following:

"The Administrator shall within 60 days after the effective date of this act amend the rent regulations to provide that the area rent directors of each defense-rental area heretofore or hereafter designated by the Administrator shall make individual adjustments in cases within their areas where injustices are being done or will be done to either owner or occupant, including cases where:

"(a) There have been since the maximum rent date a substantial rise in property taxes or net operating costs, or

"(b) The rent on the maximum rent date for any housing accommodation is, due to peculiar circumstance, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, or

"(c) Petition is made for determination of a maximum rent prior to renting of housing accommodations first rented after the maximum rent date, or

"(d) In a multiple-unit premises or project the rent for any unit of housing accommodation is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises or project on the maximum rent date, or

"(e) The rent is less than the total cost of operating the housing accommodations and is lower than the rent generally prevailing for comparable housing accommodations on the maximum rent date."

Mr. Chairman, informed parties tell me that almost 90 percent of rent complaints cover items ranging from \$2.50 to \$10.

The amendment just read was defeated by a single vote in the committee. However, the following amendment was adopted unanimously:

Insert after the first sentence in section 2 (c) the following sentence:

"The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations."

I sincerely hope that this amendment will be of help.

Now about the racket which has arisen in connection with the provisions of the act which makes it mandatory in civil actions for the court to impose a fine of \$50 or three times the amount of the overcharge, whichever is greater, in each instance where there has been an overcharge. I quote in part from a letter received from San Francisco on this point:

As you can well understand, there are many instances where disputes may arise and where the landlord may be acting in good faith, such as, for instance, where the original rental was fixed for one-family unit and afterward additional tenants, or two or more family units, move in to take possession, or where extra facilities are provided, such as refrig-

eration or new or additional equipment. In such case the tenant may agree to pay a slight increase in rental, but at the end of a year may sue the landlord to obtain a judgment based upon 12 or more alleged violations of the act over a period of 12 months, on the basis of \$50 for every alleged violation.

A case was reported here of an elderly woman who had been renting a small flat to a man for \$12.50 a month. New tenants moved in and the rent was fixed at \$13.50 per month. At the end of a year the tenants brought suit, claiming 12 violations of the act, and the court awarded the tenants \$50 judgment for each violation, a total of \$600, plus \$75 attorney fees, and also an additional amount for costs of court, all upon alleged overcharge of \$12.

In this connection I now quote from a San Francisco paper:

In passing on the suits Judge Cronin said: "If these awards seem harsh in view of the amount of the overcharges, it must be borne in mind that as judge of this court there is nothing I can do about it. The plain purpose of the provisions of the Emergency Price Control Act is to prevent the evils of inflation, and for that purpose to enlist the help of consumers in discouraging violations. Granting these awards are mandatory upon the courts and in these cases no judicial discretion whatever is allowed. The award must be either \$50 or three times the amount of the particular overcharge in each instance, whichever, according to the terms of the law, is the greater.

"The statute is so strict that good faith and innocent nonconformity with its provisions, even though coupled with a willingness and a desire to make restitution for the overcharge, cannot be considered by the courts as a defense.

"In none of these cases do I necessarily find the defendants guilty of bad faith or deliberate intentions to violate the law, but from the evidence adduced, as a matter of simple mathematics, I am compelled to find their charges were greater than those allowed by O. P. A. regulations and price ceilings, and hence judgments must be rendered as indicated."

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I take this occasion to compliment the gentleman from California on the diligent fight he made in the committee to eliminate this form of racketeering, and also to say that the improvements in the hardship provisions in the rental portion of the price-control bill were largely due to his persistence in this matter.

Mr. ROLPH. I thank the gentleman very sincerely. May I say that it was also with the help of the distinguished gentleman from Oklahoma that the committee has rectified this situation.

Section 205, subsection (e), of the committee bill corrects this situation so that the amount which the court may allow in the rent case referred to is either \$18 or \$50, plus a reasonable attorney's fee. This should effectively put a stop to the unfortunate practice which has arisen.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from New York.

Mr. DICKSTEIN. The amendment to which the gentleman referred cures a situation which, it seems to me, placed an unusual hardship upon the property

owner. I think the gentleman is making out a strong case.

Mr. ROLPH. It was a committee amendment. The entire committee was unanimous.

Mr. DICKSTEIN. Will this committee amendment cure this particular evil?

Mr. ROLPH. Definitely; yes.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman from New York has asked the question I intended to ask. Does the gentleman feel positive now that the committee amendment will take care of such hardship cases?

Mr. ROLPH. Yes, definitely; the bill that has been reported out will take care of these hardship cases and put a stop to racketeering.

Mr. MURDOCK. I, too, congratulate the gentleman from California on this move.

Mr. ROLPH. I thank the gentleman very much.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from New York.

Mr. GAMBLE. I think the real-estate operators are very much pleased with this provision themselves. I believe it will be of considerable benefit all the way along the line. Has not the gentleman been told that in the last few days?

Mr. ROLPH. Yes. I thank the gentleman for bringing that up. I am quite sure the real-estate people throughout the country will be very pleased with this amendment, because it cures the purest kind of a racket, a practice which Congress never intended to allow to develop.

Mr. GAMBLE. It by no means weakens the present act; that is what we were trying to avoid.

Mr. ROLPH. By no means; it strengthens it. As I said before, what we desire is legislation fair to both tenant and owner alike.

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H. R. 3236. An act to provide aid to dependent children in the District of Columbia; and

H. J. Res. 242. Joint resolution to amend an act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and define

its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes," approved September 19, 1918, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House of Representatives to the amendment of the Senate numbered 21 to the foregoing bill.

The message also announced that the Senate further insists upon its amendments numbered 10, 12, and 13, disagreed to by the House of Representatives, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. BANKHEAD, Mr. CONNALLY, Mr. WHITE, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 133) entitled "Joint resolution to extend the time limit for immunity."

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain excerpts from certain hearings.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GAMBLE. Mr. Speaker, on yesterday the gentleman from New York [Mr. COLE] obtained permission to extend his remarks in the Appendix of the RECORD. Through error in transmission to the Public Printer a portion of the article was omitted. I renew the request on behalf of the gentleman from New York [Mr. COLE] for unanimous consent to insert the article with the omitted material which is at the Clerk's desk.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GAMBLE. Mr. Speaker, on behalf of my colleague the gentlewoman from New York [Miss STANLEY], I ask unanimous consent to print in the Appendix of the RECORD a poem entitled "Good Luck, Soldier," written by William Rose Benét.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an article by Mr. Tom Linder of Georgia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a report on C. A. A.-W. T. S. training.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

(By unanimous consent, Mr. MORRISON of Louisiana was given permission to revise and extend his remarks.)

CORRECTION OF THE RECORD

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that a correction be made in the RECORD of yesterday. On page 5502, in the middle of the column, one word in my remarks was omitted. I ask unanimous consent that the word be included so that the RECORD will read as follows:

The newspapers and radio of the country carried that case and made much of it, although not openly tried.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent for permission to correct the RECORD at page A3002 in the RECORD of June 5, in an extension of my remarks. Referring to the fourteenth line of my remarks, I ask unanimous consent that the RECORD be corrected as follows: After the word "people" to insert a period and then to have the RECORD read, "First they procured the demonetization of silver," and so on.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend my remarks in the RECORD and include certain excerpts and communications.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise the remarks I made today and include therein in connection therewith a copy of the bill as presented by the Committee on Banking and Currency to extend the Price Control and Stabilization Acts, and to show in italic in some suitable and appropriate manner the changes that have been made or proposed by the committee in existing law; and a further unanimous-consent request to extend my remarks and to include a statement by a large wholesale grocery concern, over 100 years old, which shows comparative prices during

the First World War and the Second World War, to make such comparison appear in parallel columns.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to withhold two parts of my speech which I do not want to put in the RECORD tonight, but put in the Appendix later as part of my address.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PATMAN. Mr. Speaker, may I make another unanimous-consent request? I had placed this in the RECORD before, but not in parallel columns. I ask unanimous consent that the other printing not be inserted in the permanent RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that I be allowed to revise and extend the remarks which I made in the House on the rule and in the committee in the consideration of the Price Control and Stabilization Acts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

JACKSON HOLE MONUMENT

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein a petition in regard to the Jackson Hole National Monument.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I want to make a short statement about the Jackson Hole National Monument in Wyoming, which has been a subject of Nation-wide discussion and, I regret, a matter of much misunderstanding.

After Jackson Hole National Monument was established last year by the President, the gentleman from Wyoming [Mr. BARRETT] introduced a bill H. R. 2241, to abolish the monument. Since Mr. BARRETT's bill concerns the public lands, it was referred to my committee, where it has been thoroughly and exhaustively studied. At the conclusion of extensive hearings here in Washington, I went out to Wyoming to see this famous area myself, to study its problems on the ground, and to get first-hand information. As a result of that study, I have reached the following conclusions:

In the creation of Jackson Hole National Monument, there was no departure from established precedent.

Congress, in 1906, authorized the President to establish national monuments. Every President since that time, regardless of party, has established national monuments under this authority granted

by Congress. A total of 82 such national monuments have been created under this authority to date. Many of them are smaller and many of them are larger than the Jackson Hole Monument area.

No State's rights were disturbed by the creation of this monument.

The proclamation setting up the area refers only to the Federal lands within the described boundaries, and more than 92 percent of the area included within the monument boundaries is either Federal land or land bought with the knowledge and consent of the people of Wyoming to be donated to the Federal Government.

State land inside the monument boundaries amounts to 1,367 acres, or only sixty-one one-hundredths of 1 percent of the monument area, and that land still belongs to the State. Moreover, the State's jurisdiction over the lands in the monument is exactly the same today as it was before the monument was established. The State has lost nothing.

No individual rights have been lost by the creation of the monument, either.

The monument was created subject to all valid existing rights. Any rancher, or anybody else, who had rights in the area before the monument was created has those same rights today. Contrary to the impression that has gained wide acceptance, nobody's private lands, homes, permits, or other rights have been damaged or threatened in any manner whatsoever.

Shortly after the monument was reserved, the Secretary of the Interior issued a most reassuring and forthright policy statement governing the administration of these Federal lands. In this statement he said, and I quote:

In fact, all permits issued by the Forest Service or other Federal agencies for use of lands now within the national monument will be honored by the National Park Service during the lifetime of the present holders, and the members of their immediate family.

This includes existing grazing privileges on monument lands and stock driveway privileges. Cattlemen desiring in the spring and fall to drive their cattle across the monument lands between their respective ranches and the summer ranges on national forest or other lands will be permitted to do so.

The establishment of Jackson Hole National Monument is no detriment to Teton County, in which the area is situated.

Private property in the monument is still subject to taxation. In this connection it is interesting to note that the State of Wyoming collected more than \$150,000 in taxes from Yellowstone National Park in 1941. That shows that tourists pay.

When the private lands which have been purchased in Jackson Hole National Monument to donate to the Government are accepted by the Government, Teton County will suffer a temporary loss of about \$10,000 annually. That situation should be rectified and it is up to Congress to rectify it. There is now pending a bill—Senate 380—introduced by Senator HAYDEN to authorize the pay-

ment of a reasonable portion of national park tourist fees to the counties in which the parks are situated, and I am introducing a similar bill. Both the President and the Secretary of the Interior have indicated their support of some such measure to compensate Teton County.

Obviously, the way to deal with that problem is for Congress to authorize the necessary payments. Abolition of the monument would solve nothing and would be purely negative.

When I went to Wyoming, I also found that there was not unanimous opposition to this monument. I found that there is an honest difference of opinion concerning it. As an example of what I found, I want to introduce herewith into the RECORD a letter signed by eight influential businessmen in the town of Jackson, which I received too late to include in the printed hearings, urging that the monument not be abolished. I also wish to include a petition signed by numerous people in Jackson Hole, and handed to me when I was there, supporting the monument, and a letter which indicated plainly that many other people in Jackson Hole would support the monument openly if they dared.

These petitions are as follows:

JACKSON, WYO., August 16, 1943.

Hon. J. HARDIN PETERSON,
Chairman, Public Lands Committee
of the House of Representatives.

DEAR SIR: We would like to bring before your committee our vigorous objection to Congressman BARRETT's bill to set aside the President's proclamation creating the Jackson Hole National Monument. We are all now, and have been for many years past, residents of Jackson Hole. We have seen Jackson Hole grow in the last 15 years from a small cattle town to the thriving community with its many activities as you see it today. We believe that growth has been due entirely to its attraction as a recreational area which people all over the country are beginning to hear about through the National Park Service. We believe that the influx of tourist travel has just begun and that after the war it will greatly increase.

If Jackson Hole is not protected by being in a national park area, these crowds of visitors and those trying to make money from them, will, in short order, spoil the country. This they were beginning to do when Jenny and Leigh Lakes and the Teton Peaks were protected by the creation of Grand Teton National Park and Mr. Rockefeller bought up most of the privately owned lands in the north part of the valley. On the other hand, we believe that this area, protected by a national park, administered in accordance with the peculiar character of this country (which is quite different from Yellowstone) can take care of all of the tourist travel that will come here and will greatly increase the prosperity of this valley and the businesses in the town of Jackson.

On the faith of this belief, we have made heavy financial investments in the town of Jackson to which we are now committed as they are in the shape of buildings and equipment which are permanently there. We made that investment in the belief that this area would become a part of the national park system, protected and developed as such. If we had not believed that, we would not have invested our money here as we have.

We earnestly urge you not to undo the Jackson Hole National Monument, but, if it needs bettering in any way, that you strengthen and perfect it by legislation.

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 7 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BANKHEAD to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress) viz:

1 On page 12, strike out clause (2), beginning with the
2 figure “(2)” in line 6 and ending with the word “item” in
3 line 11, and in lieu thereof insert the following:

4 “(2) a generally fair and equitable allowance for the
5 total current cost of whatever nature incident to process-
6 ing or manufacturing and marketing such item, and
7 whenever the Chairman of the War Production Board or
8 the War Food Administrator has determined such item

1 to be necessary for the war effort or the maintenance of
 2 the civilian economy, such allowance shall be computed
 3 at a uniform figure that will cover such total current costs
 4 in the case of any manufacturer or processor among the
 5 manufacturers or processors of at least 90 per centum by
 6 volume of such item”.

75TH CONGRESS
 2D SESSION

S. 1764

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1 On page 13, line 20, after the period insert the follow-
2 ing: "Whenever the maximum price established for any
3 item to which this paragraph is applicable is in excess of
4 a price which in the judgment of the Administrator is
5 generally fair and equitable and is also in excess of the low-
6 est maximum price which could be established therefor in
7 accordance with the foregoing provisions of this section,
8 the Administrator may reduce the maximum price for such
9 items to a price which in his judgment will be generally fair
10 and equitable, except that such maximum price shall in no

1 event be reduced to a price lower than the lowest maximum
 2 price which could be established therefor in accordance with
 3 the foregoing provisions of this section or be reduced to a
 4 price which will impede the effective prosecution of the war
 5 or the maintenance of the civilian economy.”

78TH CONGRESS
 2D Session

S. 1764

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1 On page 13, after line 20, insert the following: "When-
2 ever the maximum price established for sales at any subse-
3 quent level of manufacture, processing, or distribution of
4 any commodity which is constituted in whole or substantial
5 part of any textile item is in excess of a price which in
6 the judgment of the Administrator will provide a generally
7 fair and equitable margin at such level of manufacture,
8 processing, or distribution, then the Administrator may re-
9 duce such maximum price to any price which in the judg-
10 ment of the Administrator will provide a generally fair and
11 equitable margin at such level."

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JUNE 7 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No. 105

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 9, 1944, for actions of Thursday, June 8, 1944)

(For staff of the Department only)

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SENATE

1. PRICE CONTROL. Continued debate on S. 1764, to continue the Emergency Price Control and Stabilization Acts (pp. 5594-618). Sen. Bankhead, Ala., and others discussed the committee cotton-textile amendment. During this discussion Sen. Eastland, Miss., claimed that "rayon companies have been given priorities to manufacture rayon cord for tires, thus taking away the market from the cotton farmer for half a million bales of his cotton" (p. 5615).

Majority Leader Barkley announced that he hoped that this bill will be finished tomorrow (June 9) (p. 5618).

2. FARM LOANS. Sen. Wheeler, Mont., submitted amendments which he intends to propose to H.R. 4102, to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans (p. 5594).

3. INDEPENDENT OFFICES APPROPRIATION BILL. Received the conference report on this bill, H.R. 4070, and acted upon amendments reported in disagreement (p. 5618). (See Digest 97 for provisions of the conference report and amendments in disagreement.) Agreed to Sen. McKellar's motion to concur in the House amendment to the Senate amendment that the effective date ^{relating} for appropriations for executive order agencies shall be Jan. 1, 1945, rather than July 1, 1944. Agreed to Sen. McKellar's motion to insist on its amendments relating to Budget Bureau field offices, Legal Examining Unit of CSC, TVA, marking and use of Government vehicles, and Senate confirmation of Government employees receiving \$4500 or more.

Sens. Glass, Russell, Truman, Green, McKellar, Bridges, and White were appointed conferees for a further conference.

4. PRICE CONTROL ACT EXTENSION. Concluded general debate on H.R. 4941, to extend the Price Control and Stabilization Acts (pp. 5621-68). Rep. Luther Johnson, Tex., urged inclusion of farm wages in the determination of parity and discussed H.R. 1408, the Pace bill on that subject, which was passed the House but not the Senate (pp. 5621-2). Rep. Winter, Kans., criticized OPA and WFA administration of "stabilization controls" (pp. 5626-7). Rep. Dilweg, Wis., discussed the proposed amendments to the Price Control Act procedure provisions (pp. 5630-4). Rep. Gwynne, Iowa., claimed that the amount of food produced, rather than price control, has kept prices down (pp. 5635-6). Rep. Morrison, La., discussed his proposed amendment to exclude fresh fruits from the provisions of the Price Control Act (pp. 5627-8). Rep. Larcade, La., inserted an Ill. State C of C summary of replies regarding price-control extension; discussed the "effects" of this Act on potatoes, cattle, strawberries, and rice; and inserted Col. Olmstead's letter on rough rice price ceilings (pp. 5645-9). Rep. Sumner, Ill., ^{criticized} corn ceiling prices and claimed that black-market prices were encouraging production (pp. 5650-1). Rep. Hays, Ark., stated that "change in the O.P.A. law have not come from farmers" and commended the CCC support-price program (pp. 5652-3). Rep. Hartley, N.J., discussed the work of the House Committee Investigating the Acts of Executive Agencies Beyond the Scope of Their Authority in connection with OPA (pp. 5656-8). Rep. Poage, Tex., urged continuation of the guayule rubber program (pp. 5659-60). Rep. Brown, Ga., ^{discussed} his proposed amendment to increase cotton production and to "get parity" for cotton producers (pp. 5660-3).

5. STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL. Reps. Rabaut, Kerr, Hare, O'Brien of Ill., Carter, Stefan and Jones were appointed conferees for a further conference on this bill, H.R. 4204 (p. 5668).

6. PERSONNEL. Received CSC's proposed legislation to establish a uniform policy with respect to the pay status of civilian employees suspended without pay pending investigation. To Civil Service Committee. (p. 5670.)

7. PAYMENTS IN LIEU OF TAXES. Received a petition from sundry N.J. Citizens favoring S. 1737, Sen. Hawkes bill providing for payments to States, etc., for loss of revenue on lands acquired by the U.S. for military purposes. To Ways and Means Committee. (p. 5670.)

8. WAR DEPARTMENT MILITARY APPROPRIATION BILL. As reported (see Digest 104) this bill, H.R. 4967, provides, under "Subsistence of the Army, ...that none of the money appropriated in this Act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable....That no part of this or any other appropriation contained in this Act shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions except to the extent that the Secretary of War shall determine that articles of food and clothing grown or produced in the United States or its possessions cannot be procured of satisfactory quality and in sufficient quantities and at reasonable prices as and when needed, and except procurements by vessels in foreign waters and by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto....That none of the funds appropriated in this Act shall be used for the payment of any subsidy on agricultural or other products." It also provides under "Incidental expenses of the Army" for inspection service and instruction furnished by the Department of Agriculture; and for encouragement of the breeding of riding horses suitable for the Army, in cooperation with the Bureau of Animal Industry.

ITEMS IN FEDERAL REGISTER June 8, 1944

18. PLANT QUARANTINE. BE&PQ's notice of effective date of certain Japanese Beetle Quarantine restrictions (p. 6201).
19. TRANSPORTATION. ICC's permits for processed cheese and vegetables (pp. 6244-6).
20. PRICE CONTROL. OPA's orders for carriers of meat, paperboard containers, fats, oils, gloves, lumber, and silver.
21. RATIONING. OPA's orders for processed foods, meat, fats, fish, cheese, shoes, and sugar.
22. PROCUREMENT Division's order on typewriter procurement (p. 6240).
23. SELECTIVE SERVICE SYSTEM's miscellaneous amendments relating to work of national importance under civilian direction (p. 6207).
24. FOOD DISTRIBUTION. WFO 102, on shipping restrictions (p. 6205); WFO 78, Am. 1, on procedural regulations (p. 6202); and suspension of peach handling order (p. 6201).
25. PRIORITIES. WPB's orders for chemicals, cooking equipment, cooper, farm machinery, rubber, and tin.

ITEMS IN FEDERAL REGISTER June 9, 1944

26. FORESTRY. Transfer of lands within the Nantahala National Forest from TVA to FS (pp. 6263-4).
27. TRANSPORTATION. ICC's order for loading processed cheese on refrigerator cars (p. 6265).
28. PRICE CONTROL. OPA's orders for wooden barrels, drugs, lumber, procedures, P.R. food products, dairy products, fruits, vegetables, soft drinks, and V.I. sugar.
29. FOOD DISTRIBUTION. Termination of WFO 83, on apples; and WFO 94, removal of restrictions from Calif. and Oreg. oilseeds (p. 6249).
30. PRIORITIES. WPB's orders for paperboard and pulp and paper.

ITEMS IN APPENDIX

9. **SMALL BUSINESS.** Extension of remarks of Rep. Stevenson, Wis., commending the work of the House Small Business Committee (pp. A3095-6).
10. **TAXATION.** Sen. Byrd, Va., inserted Sen. Tydings' (Md.) article, "Why I Proposed a Pay-As-We-Go Amendment" (pp. A3088-9).
11. **PRICE CONTROL.** Rep. Stevenson, Wis., inserted a Wis. Dept. of Agriculture letter with attached copies of letters to OPA and WFA concerning the "confusion" in which the Wis. dairy industry finds itself because of "lack of clarity of O.P.A. regulations" (p. A3096).
Speech in the House by Rep. Wolcott, Mich., discussing with other members H.R. 4941, to extend the Emergency Price Control and Stabilization Acts (pp. A3102-7).
Rep. McCormack, Mass., inserted Chester Bowles' letter and comments on H.R. 4941, to extend the Emergency Price Control and Stabilization Acts, as reported by the Banking and Currency Committee (pp. A3107-10).
12. **MANPOWER MOBILIZATION.** Rep. Miller, Conn., inserted Hartford Times and Courant editorials criticizing WMC's "controlled hiring" plan (pp. A3089-90).

BILLS INTRODUCED

13. **WATER POLLUTION.** By Sen. Barkley, Ky., S. 1989, to provide for water-pollution-control activities in the U.S. Public Health Service. To Commerce Committee. (p. 5594.)
14. **POST-WAR AGRICULTURE.** By Rep. Hagen, Minn., H.R. 4979, to provide adequate markets and fair prices for agricultural commodities produced in the U.S.; to eliminate the necessity for mandatory reductions in crop production; to provide a method for the exchange of surplus agricultural commodities for products of foreign countries on a basis mutually advantageous to agricultural and manufacturing interests in the U.S. and to such foreign countries; to promote foreign trade in the interest of friendly and peaceful relations among nations. To Ways and Means Committee. (p. 5670.) Remarks of author (pp. A3080-1).
H.R. 4982
15. **PERSONNEL.** By Rep. Eberharter, Pa., to amend the Classification Act, to create a mechanical service. To Civil Service Committee. (p. 5670.)
16. **PUBLIC LANDS; MINERALS.** By Rep. Ellsworth, Oreg., H.R. 4986, to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws. To Public Lands Committee. (p. 5670.)

COMMITTEE HEARINGS Released by G.P.O.

17. **MILITARY ESTABLISHMENT APPROPRIATION BILL, 1945.** House Appropriations Committee.

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For additional information and copies of legislative material referred to, call Ext. 4654 or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

(over)

78TH CONGRESS
2^D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 8 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TAFT to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress), viz: At the proper place in the bill insert the following:

1 SEC. . The Emergency Price Control Act of 1942 is
2 hereby amended as follows:

3 At the end of the second sentence of section 2 (a)
4 insert the following: "Any maximum price established
5 or adjusted by the Administrator shall be such as to allow
6 to each class of producers, manufacturers, processors, and
7 distributors concerned therewith a generally fair and equi-

1 table price for the particular product affected, taking into
2 consideration the cost of producing, manufacturing, proc-
3 essing, or distributing such product and a reasonable profit
4 subject to the following provisos:

5 “(a) The price need not be such as to assure profit
6 to any individual producer, manufacturer, processor, or dis-
7 tributor who is inefficient, or who for any other reason
8 failed to receive such profit under peacetime conditions.

9 “(b) The maximum price fixed for any class of pro-
10 ducers, manufacturers, processors, and distributors need not
11 be such as to assure a profit for such particular product if it
12 was customary prior to the war for such class to sell such
13 product without profit.

14 “(c) The price fixed for any class of producers, manu-
15 facturers, processors, or distributors need not be such as
16 to assure a profit for a particular product if (1) such product
17 is only one of a larger group of products substantially all of
18 which are handled by all members of such class, and (2)
19 the sum of the profits on all the products handled by such
20 class are generally reasonable.

21 “(d) The Administrator shall have the right to deter-
22 mine what producers, manufacturers, processors, and dis-
23 tributors constitute a class, and in doing so shall give proper
24 consideration to the character of the business, the kind of

- 1 products handled, method of handling such products, and
- 2 regional variations which prior to the war led to a general
- 3 difference in prices and margins."

S. 1764

AMENDMENT

Intended to be proposed by Mr. Tarr to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, Seventy-seventh Congress), as amended by the Act of October 2, 1942 (Public Law 729, Seventy-seventh Congress).

JUNE 8 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, THURSDAY, JUNE 8, 1944

No. 105

Senate

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., assistant minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, who in times past didst lead our forefathers from lands of oppression, opening before them in the wilderness a new land which by Thy gracious providence has become great among the nations of the world: We beseech thee to continue to us the vision that thou didst reveal to them of a land of freedom and justice and brotherhood. Bless all those to whom Thou hast committed the government of our Nation and of every nation allied with us in the cause of freedom from oppression. Be with all who go forth in the defense of our country and in the cause of humanity, especially those who are pressing forward in the liberation of Europe. Sustain them wherever they may serve, on land, sea, or in the air. Heal the wounded, restore the sick, comfort the prisoners, and receive the dying into Thine eternal safekeeping.

We give thee thanks, O God, for the goodly heritage that Thou has given to us in those who have sacrificed their lives in the cause of human liberation, and we pray that, following their examples of courage, endurance and steadfastness, we may serve Thee well in our turn, holding high the ideals for which they have died, and leaving to those who come after us an inheritance uncorrupted by tyranny and undefiled by fear, that our heroes may not have laid down their lives in vain. We ask it in the Name and for the sake of Him who died for our eternal freedom, Thy Son, Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 8, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. BENNETT C. CLARK, a Senator from the State of Missouri, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. CLARK of Missouri thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. THOMAS of Utah, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 7, 1944, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Radcliffe
Austin	Green	Reed
Ball	Guffey	Revercomb
Bankhead	Gurney	Reynolds
Barkley	Hatch	Robertson
Bilbo	Hawkes	Russell
Brewster	Hayden	Shipstead
Bridges	Hill	Stewart
Buck	Holman	Taft
Burton	Jackson	Thomas, Idaho
Bushfield	Johnson, Colo.	Thomas, Okla.
Butler	Kilgore	Thomas, Utah
Byrd	La Follette	Tobey
Capper	Lucas	Truman
Caraway	McClellan	Tunnell
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Moore	Wheeler
Eastland	Murdock	Wherry
Ellender	Murray	White
Ferguson	Nye	Wiley
George	O'Daniel	Willis
Gerry	Overton	Wilson

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Maryland [Mr. TYDINGS], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from

Florida [Mr. PEPPER] are necessarily absent.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Illinois [Mr. BROOKS] and the Senator from North Dakota [Mr. LANGER].

The ACTING PRESIDENT pro tempore. Eighty-one Senators have answered to their names. A quorum is present.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 7, 1944, that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 1941. An act to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended; and

S. J. Res. 133. Joint resolution to extend the statute of limitations in certain cases.

ENROLLED JOINT RESOLUTION SIGNED DURING RECESS

Under authority of the order of the 7th instant,

During the last recess of the Senate the Acting President pro tempore (Mr. JACKSON) signed the enrolled joint resolution (S. J. Res. 133) to extend the statute of limitations in certain cases, which had been signed previously by the Speaker of the House of Representatives.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate petitions of sundry citizens representing various real-estate companies and corporations of New York City, N. Y., praying for amendment of the rent-control section of the Emergency Price Control Act so as to remove alleged inequities therefrom, which were ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McFARLAND (for himself and Mr. MURDOCK), from the Committee on the Judiciary:

H. R. 3241. A bill to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes; with amendments (Rept. No. 956).

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists, the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes; without amendment (Rept. No. 957).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 1988. A bill to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the air forces of the Army and Navy and paratroops; to the Committee on Military Affairs.

By Mr. BARKLEY:

S. 1989. A bill to provide for water-pollution-control activities in the United States Public Health Service, and for other purposes; to the Committee on Commerce.

AMENDMENT OF PAY READJUSTMENT ACT—AMENDMENT

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (H. R. 1506) to further amend the Pay Readjustment Act of 1942, and for other purposes, which was ordered to lie on the table and to be printed.

REDUCTION IN INTEREST RATE ON LAND BANK COMMISSIONER LOANS—AMENDMENTS

Mr. WHEELER submitted amendments intended to be proposed by him to the bill (H. R. 4102) to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans, which were ordered to lie on the table and to be printed.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS—AMENDMENT

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), which was ordered to lie on the table and to be printed.

AVIATION COLLECTION OF THE SMITHSONIAN INSTITUTION

Mr. WHERRY. Mr. President, I have just seen an advance copy of the July issue of Flying magazine. Under its report from Washington, the editors state that the Smithsonian Institution has "the best aviation collection of any museum in the world."

Flying says:

The present collection is muted, mangled and badly displayed, and that the visitor has to keep reminding himself there is a war on. There is no way of knowing that in the last 10 years we have established, once and for all, that we are the greatest aviation Na-

tion in the world, the greatest builders of aircraft. The impression one brings away is that we patted Wiley Post, Lindbergh, and the other distance-flight boys on the back, racked up their planes and returned to contemplating the horse and buggy.

Thus we face a peculiar paradox: On the one hand, we have a collection of aviation museum pieces which, so far as it goes, is unrivaled in the world; on the other hand, we have one of the worst because it fails to bring the dramatic story of aviation up to date, because it is miserably housed.

Mr. President, I suggest that we give recognition to this unfortunate situation. Any post-war planning for Federal construction, should contemplate and develop aviation to the prominence it deserves. Plans should be made now, as it is highly fitting and proper that the deeds of United States airmen now battling in the cause for democracy be properly documented, displayed and preserved for future generations. We must not only protect the priceless treasures already available, and those which will become available in the future, but by all means we should provide a shrine for those now making United States flying history on the battle fronts of the world. I ask consent to submit a resolution looking toward the attainment of these ends.

I also ask unanimous consent to have the resolution printed in the Record at this point as a part of my remarks, and referred to the appropriate committee for consideration.

There being no objection, the resolution (S. Res. 307) was received and referred to the Committee on Public Buildings and Grounds, as follows:

Whereas the Smithsonian Institution has one of the world's most valuable aviation collections;

Whereas lack of space has seriously handicapped the effective display of such collection, and has prevented the addition thereto of exhibits reflecting recent progress in aviation;

Whereas as a world leader in the field of aviation, the United States should take steps to preserve for future generations a complete historical record of its contributions to the development of aviation: Therefore be it

Resolved, That the Committee on Public Buildings and Grounds or any duly authorized subcommittee thereof is authorized and directed to make a full and complete study and investigation of exhibition facilities at the Smithsonian Institution with a view to ascertaining what additional facilities are necessary to provide for the proper display of aviation exhibits now in the possession of such institution and to provide adequate space for the housing and display of such additional exhibits as may be acquired for the purpose of bringing up to date and maintaining a complete aviation collection. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with its recommendations as to the construction immediately after the war of such additional facilities as may be found to be necessary.

ADDRESS BY SENATOR RUSSELL TO WEST VIRGINIA BANKERS ASSOCIATION

[Mr. RUSSELL asked and obtained leave to have printed in the Record an address delivered by him at the anniversary meeting of the West Virginia Bankers Association at Charleston, W. Va., on June 2, 1944, which appears in the Appendix.]

COMMENCEMENT DAY ADDRESS BY THE SECRETARY OF THE NAVY AT THE NAVAL ACADEMY

[Mr. WALSH of Massachusetts asked and obtained leave to have printed in the Record the address delivered by Hon. James Forrestal, Secretary of the Navy, to the one hundred and fourth graduating class at the United States Naval Academy on June 7, 1944, which appears in the Appendix.]

PAY AS WE GO AMENDMENT TO THE CONSTITUTION—ARTICLE BY SENATOR TYDINGS

[Mr. BYRD asked and obtained leave to have printed in the Record an article entitled "Why I Propose a Pay-as-We-Go Amendment," written by Senator TYDINGS and published in the June 10, 1944, issue of the Saturday Evening Post, which appears in the Appendix.]

THE PROPAGANDA PROBLEM—EDITORIAL COMMENT FROM THE CATHOLIC WORLD

[Mr. WHEELER asked and obtained leave to have printed in the Record editorial comment appearing under the heading "The propaganda problem," published in the Catholic World for June 1944, which appears in the Appendix.]

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment beginning on page 11, line 20, relating to cotton textiles. The senior Senator from Alabama is entitled to the floor.

Mr. BANKHEAD. Mr. President, I hope Senators will not insist on being recognized for the presentation of papers, records, and the like for 20 minutes or so. If I may proceed I can conclude before lunch time.

Mr. WHERRY. Mr. President, will the Senator repeat his statement? I did not hear it.

Mr. BANKHEAD. I stated that I hoped Senators would not urge me to yield for statements, or for the presentation of documents. I should like to conclude by the time Senators wish to go to lunch, and yesterday 30 or 40 minutes were taken up in the presentation of documents, and things of that sort, after I was recognized. I shall be glad to yield to Senators as soon as I conclude my statement. I do not mind being interrupted during my remarks for discussion of any topic which develops in connection with them, if Senators desire to interrupt.

Mr. President, I should like to have the attention of Senators, especially those who do not fully understand the pending amendment, and I hope I may have the opportunity to present to them the reasons why the amendment should be agreed to. Of course, it is difficult, in presenting a relatively new proposition, when the attention of Senators cannot be secured to a real discussion intended to appeal to reason and to furnish information.

Mr. President, the problem before us is an extremely important one. I shall not take the time of the Senate to point out the importance of cotton to the economy of the United States. It is a very interesting subject, but I do not wish to take time on it now. It is a proper subject for discussion, because a great many people now look on cotton merely as a southern product, whereas in fact it is important to every section of the United States.

I shall take only the time necessary to state that since the ports of America were opened to foreign trade, nearly 175 years ago, according to the official figures the balance of trade in our favor has been approximately \$40,000,000,000. In short, the assets of this country since we have engaged in foreign trade have increased about \$40,000,000,000, due to the balance of trade being in our favor to that extent. I am sure it will surprise many Senators to know that of the approximately \$40,000,000,000 balance of trade in our favor, more than \$36,000,000,000 of it is traceable to the exportation of cotton. These figures are official, though I do not have them exactly. Since we have engaged in foreign trade nearly 90 percent of the balance of trade in our favor is the result of our cotton business with foreign countries. So, Mr. President, an item so important to the general economy of the country and to the industrial factories of the North and East, affects everyone in the country, and every section of the country. I shall not go further into that subject. I merely make the suggestion to indicate to those who want to study the subject further that we are dealing here with a great national problem, although the production involved is localized in the South.

Mr. President, yesterday I was beguiled into a diversion from the subject under discussion to answer, at the insistence of the Senator from Utah [Mr. MURDOCK], the suggestion of a loan of 100 percent on cotton. I did not want to enter into a discussion of that question at that time. I thought it would be more appropriate to discuss it if a Senator offered an amendment to that effect. But there was insistence that the subject be discussed, so I did go into it until I became diverted to something else and did not conclude the discussion of that particular matter. I do not intend to conclude it now, because it would take too much time. I merely wish to say, in addition to what I said yesterday, that when a 100-percent loan is fixed on cotton it will result in closing up the cotton trade. The cotton buyers, the cotton merchants cannot buy cotton if they have no place where they can hedge their purchases. They cannot afford to take the risk of a drop in the price of cotton. It would break them all if a drop in the price of cotton should occur. Such a drop may occur. It is generally expected that it will occur at the close of the war, when it will be necessary for businesses now engaged in war production to transfer to other lines of production, when the great mass of business which now comes from the Army, and as a result of the war effort will be lessened. Merchants cannot buy cotton and hold it at their risk when

there is no margin of profit above the 100-percent parity. So a 100-percent loan would result in closing up the cotton trade, a trade development and system of marketing which has been developed during the course of 175 years. Our people are proud of the development they have made in the marketing of cotton throughout the world.

Cotton merchants who buy cotton take some risk of finding buyers throughout the world as well as in the United States. If we should provide for a 100 percent loan on cotton the merchants could not continue to buy cotton, they could not carry cotton at their own risk. There would then be no encouragement to buy it because there would be no profit. They would have to pay the parity price, for the farmer would probably put his cotton in the loan. The cotton buyers could not hope to receive any more, because that would be the selling price of cotton. So, such a program would result in blocking the cotton trade.

Furthermore, the farmer could do only one thing with his cotton. He would not have a market throughout the year as he now has. The farmer now has a market for his cotton every day in the year. Each farmer has the same market because it is fixed on the various cotton exchanges of the country. He would then have but one recourse, and that would be to put his cotton in the warehouse and take a loan. When he does that he starts right in on a loss. He must pay insurance on the cotton the whole time it is in the warehouse. And nearly all the time there is a large excess of cotton, so there is no assurance under a loan program that he may not have to hold his cotton for 1 or 2 years before it is sold and his loan is canceled. He must pay insurance, he must pay taxes, he must pay warehouse storage charges. We also know that with 10,000,000 bales now in the warehouses there would not be storage capacity available for the Government to store an additional ten or twelve million bales of cotton.

Mr. President, the ordinary owner of cotton now knows where cotton finds an outlet. The merchants buy it and ship it out of the area. Some of it is shipped abroad; some is shipped to other sections of the country, where warehouses must be found in which to store it, because it is held at the buyer's own risk. The Government does not want to incur great losses by reason of deterioration of cotton in warehouses which are unsuitable for storage of cotton, and which may burn or be otherwise destroyed.

Let me say one more thing, and then I shall leave that particular subject. The farm organizations are opposed to such a program. Those who represent the producers do not want to have cotton diverted from the market which they have always had and from which they always benefited, and they have requested me, though they know my position on the subject, to state their position. They are opposed to such a program because they realize that it would be injurious to the farmers and to the cotton industry. With that statement I shall pass on to

the main subject, which I was discussing when I was interrupted yesterday.

Mr. HATCH. Mr. President—

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield, Mr. President, if we can have more quiet in the Senate.

Mr. HATCH. Perhaps the interruption may result in bringing about more quiet. I am not a member of the committee, and have not studied the bill, but I wish to ask the Senator whether, as a matter of fact, the present measure does not provide for an increase in the cotton loan rate?

Mr. BANKHEAD. Yes; and I am not going to insist on that provision. I shall withdraw it.

Mr. HATCH. The loan rate is now 90 percent, is it not?

Mr. BANKHEAD. It is now 90 percent. The provision in the bill, for which I was responsible, makes it—

Mr. HATCH. Ninety-five percent?

Mr. BANKHEAD. Yes; 95 percent; and now several Senators have announced that they want to make it 100 percent.

Mr. HATCH. Am I correct in my understanding that the Senator from Alabama is opposed to the 95-percent loan provision?

Mr. BANKHEAD. In view of the attitude of the farmers and their organizations on the subject, I thought I ought not to insist on pressing my personal views about the matter. That is the situation. The farm organizations think it would be injurious, and in view of their relationship to the farmers, their representation of them, and their experience, especially the Farm Bureau, with so many members all over the Cotton Belt, I felt I should not press my personal views.

Mr. HATCH. It was the personal view of the Senator from Alabama that the loan rate should be 95 percent?

Mr. BANKHEAD. Yes.

Mr. HATCH. But the farm organizations oppose the 95-percent loan?

Mr. BANKHEAD. Yes.

Mr. HATCH. And, therefore, the Senator is willing that it remain as it is, at 90 percent?

Mr. BANKHEAD. Yes.

Mr. HATCH. Then in the event the committee amendment providing a loan of 95 percent should be defeated—

Mr. BANKHEAD. I am going to withdraw it when I get to it. That is what I am trying to state.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. ELLENDER. Let me ask who proposed the 95-percent provision originally?

Mr. BANKHEAD. I did. I just said so.

Mr. ELLENDER. I am sorry; I was not present at the time when the Senator made that statement.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LUCAS. I wish to take this opportunity to congratulate the Senator from Alabama for yielding and for withdrawing the amendment increasing the loan from 90 percent to 95 percent. I agree with the farm organizations that, insofar as my section of the country is concerned, a 95-percent loan would be definitely injurious to the farmers.

Mr. BANKHEAD. I thank the Senator. I was advised, and I have known all the time, that there was opposition in the Corn Belt. There was opposition in the Corn Belt even to the 90-percent loan provision.

Mr. LUCAS. That is correct.

Mr. BANKHEAD. When we passed the law a year ago, we inserted a provision permitting the President to exempt farmers from application of the law, because of the possible increase in the cost of feed and things of that sort.

Mr. LUCAS. That is correct.

Mr. BANKHEAD. So, because of the attitude of the farmers, that matter was left to the President. The Senator well knows what a prolonged fight we had here 3 or 4 years ago between groups which favored a high loan and those which did not favor a high loan.

Mr. LUCAS. It so happens that the corn farmer is in a position which is a little different from that of others.

Mr. BANKHEAD. I realize that. Most of them are feeders as well as producers. At any rate, that matter can be brought up in an independent bill.

The junior Senator from Mississippi [Mr. EASTLAND] and I introduced a bill, 4 or 5 months ago, increasing the loan to 95 percent; but the committee has not considered it, and I have not urged it. If any Senator wishes to press the matter he can introduce a bill for that purpose, and have it referred to the Committee on Banking and Currency, and he can even provide for increasing the rate to 100 percent, if he desires so to do. But now the Government probably will have to pay out a billion and a quarter dollars on these loans; because if the Government takes all of them over, there will be no other market. The cotton mills do not want that to happen. Installment delivery contracts are made with the cotton mills, the cotton traders, and the merchants. Of course, they make their purchases on the exchange. I assume that wheat and other commodities are in somewhat the same situation.

Now, if we have disposed of the loan question, I shall endeavor to proceed to finish my remarks.

During this controversy I have asked one question which has not as yet been answered. It is a serious question. It is a question which goes to the heart of the situation with which we are now dealing. Why does not the O. P. A. raise the ceilings in cases in which they are obviously too low, and are resulting either in putting the cotton mills out of business, which has happened in the case of several cotton mills, or in having the cotton mills shift from the production of low-cost goods to the production of high-cost goods, on which their profit is excessive? Why does not the O. P. A. raise the ceilings in the cases in which they

are obviously too low, and reduce the ceilings in cases in which they are obviously too high? I have been trying to get a frank opinion on that subject. Our committee has been negotiating for weeks with the O. P. A. in an endeavor to obtain an adjustment of this situation along the line of pulling down the ceilings which are providing excessive profits, profits over and above a fair and reasonable margin, and to use those gains to increase the ceilings on low-priced cotton goods, which are disappearing from the market.

I think all Members of the Senate are familiar with that situation. Such goods are becoming so scarce that various articles of common usage are not to be found in the largest stores. Because, in part, of the scarcity of those goods, we have black-market prices. The results from the various developments is that common, ordinary cotton garments—cotton dresses, men's work clothes, and the various other items which working men use and which poor people are accustomed to buy—are now at prices which represent increases ranging from 200 percent to 400 percent, since the ceilings on cotton were fixed. How that has happened, it is difficult to understand; but it has happened. Either because of the difficulty of the task or because of the cost, as we hear from some sources, various persons in the O. P. A. claim they do not have the authority to decrease price ceilings, and they have failed and have declined to decrease them. At the end of the negotiations with the committee on this subject 3 or 4 weeks ago, they announced they could do nothing about it. That ended it.

Some persons have received that impression from publications in newspapers, most of which have been inspired by the O. P. A. For example, their assistant chief counsel gave out, at the door of the committee room, after being around the committee meetings for many days, a statement relative to the degree of inflation which would result from the passage of the bill including this amendment. The O. P. A. did not even get a high-class economist to sponsor the statement, but the statement was made by a practicing lawyer who is there to aid and advise the committee in matters of legal discussion and legal statements. I had no objection to that; but he wound up not only as a lobbyist but as an economist giving out the figures. Where he got them, no one has as yet ascertained. Evidently he just reached up into the air and pulled them down.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. That statement, as I recall it, was that the Bankhead amendment would increase the income of the cotton mills \$150,000,000 per year, and that that figure would be pyramided, and that the added cost to the consumers, in terms of increased prices for clothing, would be \$350,000,000. Is that the statement to which the Senator has referred?

Mr. BANKHEAD. That is the statement to which I have referred.

Mr. EASTLAND. Does the Senator know that the Textile Accounting Divi-

sion of the O. P. A., the very division which had all the information, the very division which had the power and duty to estimate the increased cost, repudiated that statement, and said it was incorrect and reckless, and asked them not to give it out. That division of the O. P. A. took the position then, and takes it now, that this amendment will not increase the income of the textile mills \$1 if the O. P. A. can properly administer the bill with this amendment in it.

Mr. BANKHEAD. I thank the Senator. Even the President accepted the statement of this lawyer, and issued a statement of his opposition to the bill on the ground of the purported inflation.

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. I am glad to yield.

Mr. TOBEY. I should like to address my question to the Senator from Mississippi. I was rather amazed at the statement he made, but I am sure he made it in good faith. Am I to understand that the net import of his statement is that we have here one group of the O. P. A. who take one position and another group who voice another position?

Mr. EASTLAND. Mr. President, that is absolutely correct. But the group which voices that position and repudiates the inflation charge is led by the responsible head of the textile accounting department which has control of textile cost accounting.

Mr. TOBEY. What is his name?

Mr. EASTLAND. His name is Hon. York Wilson, and he is on this floor today.

Let me say further to the distinguished Senator from New Hampshire that the controversy in the O. P. A. is between the practical men who know the cotton business and some economic professors from Harvard University; men who formerly taught at Harvard University in association with Mr. Justice Frankfurter.

Mr. TOBEY. Senators are seeking light on this subject. This dispute does not give light. It might well create heat, or something more serious than that, to find a great agency divided in its own organization on the merits of the proposed legislation. I for one cannot understand it, and I repudiate that sort of thing in Washington officialdom.

Mr. EASTLAND. I thoroughly agree with the Senator from New Hampshire. Let me say further that I have the official estimate from the Textile Accounting Division of O. P. A. as to the cost of the Bankhead amendment. I shall place it in the RECORD later.

Mr. TOBEY. I shall follow it with interest. I thank the Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MAYBANK. Let me say further to the Senator from New Hampshire that the escalator clause was the thought of the cotton experts associated with the O. P. A. as to the best way to handle the textile industry in 1941 and 1942. It was in effect then, and it worked well.

Mr. BANKHEAD. Mr. President, referring to the statement that the cotton mills would be enriched by \$150,000,000,

and that domestic consumers would have to pay \$350,000,000 more as a result of that increase, in my judgment there is something wrong with the administration of any program when an organization as powerful as O. P. A. permits an increase in prices of cotton goods at the door of the mill to the extent of \$150,000,000, and prices to consumers rise by leaps and bounds in the staggering sum of \$350,000,000.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. In that connection, is it not a fact that pyramiding of prices, which O. P. A. charges would be the result of this amendment, would be in violation of its own regulations? The O. P. A. maintains that this amendment would increase the cotton-mill income by \$150,000,000 and that that would be pyramided to \$350,000,000 at the consumer level. If the O. P. A. were to permit such a thing it would violate its own regulations, its own orders, and its own policy.

Mr. McCLELLAN. It would also violate this amendment.

Mr. BANKHEAD. It would also violate this very amendment.

Mr. MAYBANK. I should like to ask the distinguished Senator from Alabama if I am not correct in stating that there has been very little change of any consequence in textile ceilings since 1942.

Mr. BANKHEAD. There has been practically no change. I shall reach that point in a few minutes.

Mr. President, I regret that there are not more Senators present. It is almost futile to make an argument on the subject with so few Senators in attendance. I hope that Senators who are absent have made up their minds to vote for the amendment.

Mr. McCLELLAN. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. BANKHEAD. I yield.

Mr. McCLELLAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken -	Gillette	Radcliffe
Austin	Green	Reed
Ball	Guffey	Revercomb
Bankhead	Gurney	Reynolds
Barkley	Hatch	Robertson
Bilbo	Hawkes	Russell
Brewster	Hayden	Shipstead
Bridges	Hill	Stewart
Buck	Holman	Taft
Burton	Jackson	Thomas, Idaho
Bushfield	Johnson, Colo.	Thomas, Okla.
Butler	Kilgore	Thomas, Utah
Byrd	La Follette	Tobey
Capper	Lucas	Truman
Caraway	McClellan	Tunnell
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Walgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Moore	Wheeler
Eastland	Murdock	Wherry
Elender	Murray	White
Ferguson	Nye	Wiley
George	O'Daniel	Willis
Gerry	Overton	Wilson

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment beginning on page 11, line 20, relating to cotton textiles. The senior Senator from Alabama has the floor.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TOBEY. In connection with inquiries which I recently made I should like to read into the Record a letter which I have received from a prominent citizen of Massachusetts. With reference to the matter to which the Senator from Alabama is addressing himself, I may state that some leading textile men in New England are interested as producers of certain textile goods. In reply to communications which I had received from some of them I sent them copies of the committee report, together with the minority views. I have recently received a letter from one of the finest citizens of Massachusetts of whom I know. The letter comes from a leading textile man in Massachusetts, and because it is eminently fair I wish to read it into the Record. It reads as follows:

WELLINGTON SEARS Co.,
Boston, Mass., June 2, 1944.

HON. CHARLES W. TOBEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR TOBEY: Your favor of May 31 is at hand and I have read the minority report on the Bankhead amendment with much interest.

What is troubling the industry is the rapidity with which costs in the past 6 months have been approaching ceiling prices. In numerous instances they have already passed them. We have one mill that went into bankruptcy last fall caused very largely by this situation. We have another mill which has already gone into the red, and how long we shall be able to continue running it we do not know. This of course is not a healthy situation for any industry, and in the case of textiles it seems to me must be unfavorable to the country as a whole.

In my opinion the figures presented in the minority report are too old to be of value. I myself am not in a position to furnish you with figures refuting them but I have no doubt they can be produced, if indeed Senator BANKHEAD has not already obtained them. I also wish to say that if these figures when obtained do not satisfy you, or if for any other reason you are not satisfied, please do not allow any personal considerations to influence your final decision.

Again expressing my appreciation of the interest you have taken in this matter, I remain

Sincerely yours,

CHARLES O. RICHARDSON.

Because the letter is so fair, and because it represents the opinions of a man who, above all, desires to be fair, I thought it would be well to read it into the Record during the course of the present debate.

I thank the Senator from Alabama.

Mr. BANKHEAD. I thank the Senator from New Hampshire.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WHITE. The Senator from New Hampshire comes from a great cotton textile State. It happens that my home community is one of the large cotton industrial centers of New England. I

should not want to cast a vote based purely on local interests, and yet I think we are justified in taking into account the interests of our several communities.

The Senator from Alabama has spoken of the textile industry. I should appreciate it very much if he would indicate to me what effect he believes the so-called Bankhead amendment would have on the textile mills of Maine, New Hampshire, and of New England generally.

Mr. BANKHEAD. Mr. President, I am not sure that I can make a helpful statement with respect to the mills of the locality to which the Senator has referred. Generally speaking, it has been my position, as I am sure it is the position of the Cotton Textile Institute, and the American Cotton Shippers Association, one covering largely the mills in New England and the other covering largely the mills in the South, that this amendment, if properly administered, will result in the stabilization of the cotton industry. Both organizations to which I have referred are supporting the amendment. As I have said, it is my judgment, and I assume it is theirs as well, that the amendment will result in a stabilization of the cotton industry. By that I mean it will eliminate constant changes, bickerings, and arguments with reference to whether excess profits are being made, and with reference to orders of the War Production Board to discontinue production of one item, for example, and concentrate on the production of another. There are many things which have brought about an unsettled condition in the conduct of the textile business.

It is agreed that some of the cotton mills, especially those which are making high-cost goods, are making rather large profits. This amendment would permit the ceilings on the products of those mills to be reduced, but not below the formula fixed, which provides for the right to have a fair and reasonable profit, and no ceilings could be fixed below that point.

On the other hand, there are many mills which are not getting a fair and reasonable profit and are in very great financial difficulties. Some of them have been ordered to produce low-grade goods on which the ceiling price is low and the profit is low. Some of them have gone into bankruptcy; some have gone into the hands of receivers—not a great many but some—and many are in difficulty. The letter presented by the Senator from New Hampshire may have indicated something of that kind, and it is true. The amendment will permit the ceilings of those companies to be increased so as to encourage them to greater production, particularly of clothing and of goods used by the plain people.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WHITE. I take it from what the Senator has said that his opinion is that the amendment, if adopted, would result in a stabilization of the cotton manufacturing industry on a reasonable and profitable basis.

Mr. BANKHEAD. That is my idea, I may say to the Senator, in which I am supported by the National Cotton Council, which represents the entire cotton in-

dustry, the producers and the cotton mills North and South. They have gone into it and made a thorough survey which has taken many weeks. They worked with the Price Administrator but could not get any relief or any help from that source. Representatives both of the cotton mills and of the producers and of all the other elements of the cotton industry have studied the matter thoroughly and they sponsor this proposal. They do not want to inflict any higher prices on the public. So they have worked out this program, under which, if the O. P. A. will fairly administer it, whatever increase in ceilings may be brought about will be paid by reductions from excess profits, which we all admit in some cases are made. But the formula provides guarantees that whatever ceilings may be fixed will be sufficient to enable them to pay parity to the farmers, and give them cost of delivery to the place where the mills are, and, in addition to that, a fair and reasonable profit.

Mr. WHITE. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I am glad to yield.

Mr. WHITE. I have no hesitation in saying that I am in agreement with the position that stabilization, if on a proper level, is in and of itself a desirable thing in any industry.

Mr. BANKHEAD. That is my judgment. I think if the profit system is abandoned it will destroy the incentive to engage in private industry. I do not think the Government through its rules, or its agencies, or otherwise, should put a great many businesses in such a position that they will be jeopardized and their life as business institutions threatened. Yet that is what is being done under the program being administered by the O. P. A. Many cotton mills are being faced with the necessity of going out of business, although there is the wildest orgy of high prices in the cotton-goods industry that has prevailed in this country.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MAYBANK. In that connection, if the Senator will permit me to make an observation, one of the reasons for the wild orgy in the price of cotton goods is the lack of cotton goods. Some of the mills have been closed because they could make but a small profit.

Mr. BANKHEAD. That is always true where there is a scarcity and at the same time high prices. Such conditions bring about black markets, as apparently they have been brought about in the cotton-goods industry.

Mr. MAYBANK. Has the Senator the figures showing the decline in cotton-goods consumption recently? Unfortunately, I have been absent during a portion of the Senator's address.

Mr. BANKHEAD. I have not reached that point, but I will refer to it now. There has been a great reduction in the consumption of cotton and it is an alarming thing to the cotton business. Consumption, as I am sure most Senators understand, means the grinding up of a bale of cotton by the mills, not the ordinary consumption as we understand it

by the use of goods and wearing them out. It is the operation of the cotton mills so as to turn out the cotton goods ready to go from the mill. That is considered as consumption. As a comparison between this year and last year, I have a statement in my address which has been furnished me by the National Cotton Council, and which shows it is likely that this year the consumption of cotton will be 1,400,000 bales less than it was last year.

Mr. EASTLAND. Mr. President, will the Senator yield at that point?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. And, in addition, 700,000 cotton spindles in America are idle today, at the very time the War Production Board says we have got to increase production in order to meet dire war needs, and that if production is not increased it will equal a major military defeat for the United States. Yet the O. P. A. has permitted a wild orgy of inflation in some ceilings while making others so low, below the cost of production, that goods cannot be manufactured under them.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TOBEY. I am sorry I was not present yesterday; I had to be away; but when the Senator began his discussion I heard two objections to the Senator's amendment as I talked to my fellow Senators. One is that this bill applies only to cotton, an isolated single commodity, and we much prefer to have it apply all along the line and across the board, and we cannot vote for something that favors only one particular commodity.

The other objection is this, and I put it in the form of a question: The Senator recently said in his remarks that this proposal would give the producers, the manufacturers, the fabricator's cost plus a profit. The thought comes to the minds of some of us who have a conviction that the profit system or the cost system is well worth preserving, that it should, in the first place, recognize the man who produces the goods, the man who bears all the hazards of rain and hail and insects so that he may take a deep breath and say, "It is a pretty good world after all and I will have my cost of production and also a fair profit." Then the price system must take into consideration the cost of handling the goods and also the price the consuming public has got to pay and give constructive consideration to the men and women who toil in factories and shops to produce the goods. The danger of some of the economic theories is that they start at the top and put the crown of thorns upon the man who produces. That is what I want to obviate. To that we object.

I am asking the Senator, in response to a question in my mind, is there anything in the amendment which proposes an advantage which would accrue to the benefit of the man who produces the goods, the cotton itself, the little cotton farmer? Under the proposed legislation would he get any more for his product and could he have the same relative profit as the fabricator?

Mr. BANKHEAD. If he could not I would be opposed to the proposal. I think every Member of the Senate—

Mr. TOBEY. I realize the Senator's devotion to agriculture and the producers, but I want to bring light on the subject.

Mr. BANKHEAD. Of course, if the producer is not to benefit by it there is no particular advantage of reorganizing the cotton industry. The cotton farmer is the only farmer in the country whose prices continuously since the war started have been below parity. Wheat stayed below parity for a time but it is at parity now. Cotton, however, is down. It was at its lowest point on the 15th of May, 1944, which is the date of the latest official figures on cotton prices.

Mr. TOBEY. What is it; about 19%?

Mr. BANKHEAD. Approximately that. I have the figures in my address which I had intended to state. I will give the figures to the Senator in a moment.

Mr. TOBEY. I am sorry if I have troubled the Senator and interrupted his trend of thought.

Mr. BANKHEAD. I have the figures. I shall read from the original document. The table I have before me shows the agricultural prices issued by the Bureau of Agricultural Economics on the 31st of May. They take the price information on the 15th of each month, and publish it about 2 weeks thereafter.

The average price received for cotton on April 15, the way they report it, was 20.24 cents a pound. Thirty days later, the 15th of May, it was down to 19.80 cents a pound. So there is shown a reduction within 30 days of 44 points.

Mr. TOBEY. What is parity?

Mr. BANKHEAD. Parity was 21.08 cents. So at the time of the last report the price of cotton was 128 points below parity, which represented about \$7 a bale.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Alabama yield to the Senator from Vermont?

Mr. BANKHEAD. I yield.

Mr. AIKEN. Can the Senator tell us approximately what percentage of the crop was in the hands of the growers in April when this decline started, either on Government loan or not on loan?

Mr. BANKHEAD. Does the Senator mean at this time?

Mr. AIKEN. In April, when the decline started.

Mr. BANKHEAD. Of course, in April the farmer had sold most of his cotton, except that which was in a loan, and there were about 4,000,000 bales put under loan, as I recall. To that extent the farmers were unwilling to sell at the price prevailing.

Mr. AIKEN. How much cotton does the Government now own?

Mr. BANKHEAD. I am unable to give the Senator the information, but I think the Government owns about 6,000,000 bales, which are in warehouses.

Mr. AIKEN. If, as the Senator intends, this slight increase in price should all go back to the grower, what would it amount to in dollars?

Mr. BANKHEAD. It would amount to about \$60,000,000.

Mr. AIKEN. About \$60,000,000?

Mr. BANKHEAD. Yes; for the entire crop.

Mr. AIKEN. And the Senator contends that the farmer could still get this increase of \$60,000,000 for his entire crop without appreciably raising the cost of cloth, or finished goods, dresses, suits, and other materials?

Mr. BANKHEAD. That is mathematically true, if the O. P. A. is correct.

Mr. AIKEN. If the O. P. A. holds the ceilings on the finished goods down to what they could hold them, and probably should hold them, there should be no appreciable increase in the consumer costs?

Mr. BANKHEAD. That is absolutely correct. I hope the Senator will call my attention later to the other part of his question, but let me at this point say that the ceiling prices on cotton goods were fixed 2 years by the O. P. A. The last ceiling order was made the 28th of April 1942. At that time the price of cotton was at parity, or at a little above, 45 points above. The O. P. A., in fixing the ceiling, estimated the cost of the mills to convert the raw cotton into cotton goods. When they issued the order they issued an explanatory statement, explaining the order and the effect of the order, a copy of which I have with me, if any Senator desires to see it. They went into details in that explanatory statement, and said that with the ceiling prices then fixed the cotton mills could pay parity for the cotton, and have a nice profit left over.

Of course, cotton mills, like any other business, are not going to pay more than they have to pay. I never blamed them for that, and they are the only buyers of cotton. If the cotton mills do not buy the farmers' cotton, the farmers do not sell it. There are no other consumers, to any great extent.

The matter drifted along, and there was a 2-cent margin between parity and the market price. But the point I am making, in answer to the Senator's question, is that, with the ceiling prices on the products of the cotton mills, which have stood for 2 long years, the cotton-mill business has worked along very well. The mills have not troubled the O. P. A. about readjustments until lately, until the situation became serious, and really was disturbing to the public generally.

I doubt if anyone can mention any other great business such as the cotton business, with all its ramifications, with the millions of people dependent upon it, and as to which the program has continued for 2 long years during these trying times, that has not had troubles, that has not had controversies and contests, and has not made applications to Congress for relief.

Then let us turn to the cotton producers, the poorest and lowest-paid group of major workers in the United States. A great many of them, as we all know, are colored people, struggling along, prices of things they buy going up, the prices of the cotton farmers going up, labor in particular going up in price, until the point has now been reached when it costs about \$37.50 or \$40 a bale merely to pick the cotton, and the farmers get

only one-third of the cotton picked in the form of lint cotton. The remainder is cotton seed. There stands that great mass of cotton farmers, white and black, with constantly increasing costs of living and of production, as I have said, but left out in the great movement of the upward swing of prices which has taken place since the war started.

Mr. President, I have stated in my address that agricultural prices are averaging 114 percent above parity. That is what the President said, but they are really higher, I find from later records. The prices for all agricultural products are 124 percent of parity, on the average. Here is cotton, the source of living, the real source of practically all the money that comes into the South, away down to 94 percent of parity. If we use 114 percent as the average—and for this argument I shall use it, though I am sure the average is higher—the price of cotton is 20 percent under the average paid producers of other agricultural products in America.

A few years ago the President of the United States, after receiving a survey of economic conditions in the Southeastern States, referred to that section as "Economic Problem No. 1 of America." It is a fact, Senators, that nearly all the money received from the sale of cotton—and about half of it, until the war began, came from foreign countries, but now none of it comes from that source—is spent for things produced in other sections of the country. The South has never developed as an industrial section. Our people seemed to be content to go along in the production of cotton, to which they are accustomed, and to buy the things they need. In the largest stores in the South there can be found very few articles which were manufactured in the Southern States. They are simply not there. A few local country-produced articles can be found. We are content to have the people of the North and the East produce our clothing, our shoes, our hats, our victrolas, our radios, our automobiles, our farm implements and the many other things the people use. We have been content with that situation and have sent our money from the South for the purchase of such articles. Checks go out for that purpose by every mail. The farmers of the South do not get any money in return except in the fall, when the cotton crop is sold. So, with that situation prevailing, Mr. President, I again submit that the purchasing power of the cotton farmer is a matter of paramount importance to the people in every section of the United States.

We buy corn from the West. We buy hay and a great many other agricultural commodities which come in daily by the trainloads, but we do not receive a decent price for our cotton. We rely on the East when placing our insurance business. We have a few local insurance companies, but not many. We rely on the East for our life insurance, our accident insurance, for every form of insurance we place. We send money from the South to take care of our insurance. The dividends we receive on stocks and other

securities we send to the financial centers of the country.

We hear people ask—and the Senator from New Hampshire [Mr. TOBEY] properly referred to it—Why does the amendment relate only to cotton? As if cotton represented simply a small sectional industry which did not relate to the welfare of the people of the country anywhere except in the South. That is not correct. I will tell the Senate why we did not include anything but cotton, and the Senator from Vermont [Mr. AIKEN] knows it to be true, because he is closely allied with the agricultural leaders of the Nation. We did not do it because they said to us, "We do not want it done. Our commodities are above parity. We do not want to upset the situation." The farm organizations are represented here in full force and are giving active and earnest support to the proposal. Their leaders represent their membership just as Senators represent their constituents. They are accountable to their membership because the farm organizations hold annual meetings when the officials must account for their stewardship and be re-elected. In response to the question why nothing but cotton was included, the matter was debated for 3 or 4 days, and after full consideration of the matter, after we had told the farm representatives that we would be glad to include any agricultural commodity they thought ought to be placed in the bill, if they wanted it to come in on the same basis as cotton, they said they did not want any other agricultural commodity included. We were seeking parity for our farmers. The producers of other commodities already had parity. The escalator clause which is placed in the bill to prevent excess profits to the mills, and to require them to pay parity, does not apply to any other agricultural commodity, because other agricultural commodities are not confined to one class of buyers, and the price and the ceiling cannot be pulled down on other commodities.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. Yes; I am glad to yield.

Mr. AIKEN. I want to assure the Senator that I understand perfectly the need for raising the income and the living conditions of the cotton farmers, and, as the Senator knows, I have frequently done whatever I could to help bring that about. But, in regard to the amendment, I want to be sure of one thing. I want to be sure that if there is a slight increase in the cost of the material it will be reflected back to the farmer. The language is that for the purpose of fixing the price of cotton cloth—

The cost of any cotton shall be deemed to be not less than the parity price for such cotton—

And so on. But I do not find where there is any assurance that, although the cost to the manufacturer shall be figured at parity, the buyer cannot buy for just as little as he can, as he is doing now. If the Senator can assure me in some way that the farmer will receive this increase, and that we will not have another case similar to the meat subsidy,

as to which we have not been able to find any farmer who received it, then I should be glad to support the amendment. But I want to make sure that this provision is not simply going to increase the profits of some middleman, while the farmer continues to sell his cotton for as low a price or lower than he has been selling it, which has not been up to parity, as it should have been.

Mr. BANKHEAD. The Senator is perfectly correct, and I feel the same way about it.

Mr. AIKEN. If the wording of the amendment does not do that, I should like to see it worded in such a way that it will, before it is voted on.

Mr. BANKHEAD. I think it does. It has passed the test of the examination by the cotton council and their advisers, and I think the O. P. A. will agree that it will have that effect, or something else which I will explain in a minute. I am glad the Senator brought that matter up, and I will deal with it now. The Senator from New Hampshire [Mr. TOBEY] brought it up, and I asked him to remind me to come back to it, and will deal with the matter right now.

I take it that very few understand what is called the escalator clause. I did not know exactly what it was, but I had a general idea. That is the part of this amendment which protects either the farmer or the consumer. The statement which has been spread over the country by the C. I. O., which has actively joined with the Price Administrator in this matter, is due, in my opinion, to the fact that they do not understand the situation. I believe if they understood it they would be here fighting as hard as they could to have this provision agreed to, because it would bring down the price of cotton goods to their members and the group of individuals they represent, by increasing the production, as I have just outlined, or by concentrating on the production of low-priced goods; but somehow they have a different idea about the matter, and they have a right, of course, to their views. The amendment, however, provides for the formula found in it under clauses (1), (2), and (3), which requires the O. P. A. in ascertaining the cost to the cotton mills—and they are entitled to cost plus a profit—to deem the price of cotton to have been parity to them. The present ceilings are based upon that theory. If costs have otherwise been increased, the O. P. A. is allowed and required to adjust them. The O. P. A. is not allowed to put the cotton mills out of business. It must help them in a square, fair sort of way, and I believe that is what it seeks to do.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. BANKHEAD. Permit me to finish my statement, and then I shall be glad to yield.

Mr. MURDOCK. Certainly.

Mr. BANKHEAD. Then, having figured that the cotton mills have paid parity for their cotton, the ceiling for their goods is fixed on the basis that they have paid parity. The present price is below parity. It has been the duty of the mills to pay the parity price for the cotton they buy. If they cannot do

it under the present arrangement the O. P. A. must increase their ceiling price so that they can. Having fixed their ceiling on the basis that cotton has cost them parity, if it is found by the O. P. A., after a 60-day investigation, that they are not paying the farmers a parity price, then their ceilings must be automatically reduced to that extent. In other words, they have been allowed in the calculation full parity for the farmer's cotton. It is not to their interest to let the price stay down. They naturally feel an interest in the producers of their entire raw product, but aside from that friendly relation between the producers and the manufacturers, the manufacturers gain nothing by not paying parity, but on the contrary their price is reduced the difference between the market price and the parity price.

Who gains by that? The farmer does not. I concede that he does not. But the ceiling price is brought down, and to that extent the consumers of the country, the members of the consuming public, gain the difference because it is taken out of the ceiling prices, and no longer is permitted to be charged to the consumers.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. Are there not two reasons why the amendment will help the cotton farmers? In the first place, let me ask why cotton is selling at less than the parity price today? Today cotton sells for less than the parity price because it is figured by the O. P. A., in certain of its price ceilings, at a price below the parity price. In fact, in certain O. P. A. price ceilings it is figured at prices below the current market price of cotton.

Next, let me ask how a price ceiling is arrived at by the O. P. A. First, the O. P. A. computes the cost of the raw material to the manufacturer, for instance, the cost of the cotton. Then the O. P. A. computes the conversion cost or the manufacturing cost. Then the O. P. A. computes what is a reasonable profit. The sum total of those 3 factors—the cost of the cotton, the manufacturing cost, and the profit—is the price ceiling. The O. P. A., according to official figures which we have here and which we will put into the RECORD, has figured the price of cotton at a price less than the parity price or less than the current market price. Of course, over a period of time the price the O. P. A. says the mill should pay for cotton will control the price of cotton. If it gets above that, it wipes out the mills' profit, and the mills operate at a loss.

The cotton mills say their costs of operation have greatly increased in the past 2 years, that they are pressing up against certain of the ceilings, and that, therefore, the price of cotton being flexible, they have had to depress the market price, in order to pay the increased costs. In other words, certain of the increased costs of their business have been paid from the farmers' pockets. That is the reason why the selling price of cotton is below the parity price.

The amendment first would remove the cause for having cotton sell for less than the parity price. The second reason is, as the distinguished senior Senator from Alabama has said, that the O. P. A., in computing the price ceiling, will figure the cost of cotton at the parity price, and then will calculate the manufacturing cost, and then will calculate the profit; and the sum total of those three factors will be the new ceiling. At the end of 60 days, if the price of cotton on the cotton market had not gone to the parity price, but was still below parity, the mills' ceiling would be reduced.

What we would do would be to give an incentive on the part of the mills to keep the price of cotton at the parity price, in order to hold the ceiling up. That would be their incentive to do so.

The O. P. A. cannot say that any product shall sell for the parity price or for any other figure. First, it is necessary to remove the shackle which holds the price of cotton below the parity price. By this amendment we would create an incentive on the part of the mills to pay the parity price for cotton, and we would have a 95 percent loan figure, which would be a jack which would raise the price of cotton to that figure.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WEEKS. Did I correctly understand the Senator to say that the ceiling prices on textiles have not changed since 1942?

Mr. BANKHEAD. Yes; except in some minor details.

Mr. EASTLAND. Four-tenths of 1 percent has been the increase in 2 years, and that is less than the increase granted in the case of any other major American business, so I am informed.

Mr. WEEKS. In that period, Mr. President, there having been practically no change in the ceiling prices, there have been substantial changes, have there not, in the conversion costs?

Mr. EASTLAND. Yes. There have been several increases in the cost of labor. The prices of coal, of oil, and of starch have increased. For instance, when John L. Lewis brought about a large increase in coal prices, that increased the mills' cost of operation; and in the case of certain ceilings, those costs pressed against the ceilings, and had the effect of requiring the mills to decrease the price they paid for cotton, in order to pay the increased costs.

The mills have another increased cost. A great amount of their skilled labor has gone into the armed forces, into the shipyards, and into other war industries. Consequently, the mills have had to train new workers. As a result, the figures of the Cotton Textile Institute show that the per unit labor cost has increased 30 percent in the past 2 years, due solely to the use of new workers who must be trained, and due to the inefficient labor which the mills have had to use.

Mr. WEEKS. Mr. President, I should like to ask one more question, if the Senator will further yield?

Mr. BANKHEAD. I yield.

Mr. WEEKS. I have in mind the fact that a number of mills, particularly

those in the underwear field, have been having considerable difficulty due to increased conversion costs. In fact, I believe I have been told that some of them have actually closed.

Mr. BANKHEAD. That is correct.

Mr. WEEKS. As I see the picture—and let me say that I am seeking information—that condition not only affects the supply of cotton textile goods, but it seriously affects the standing of the mills and seriously affects the labor which may be employed in them, and which cannot conveniently transfer to other sections of the country.

Mr. EASTLAND. And it affects the price of cotton; because when there is a squeeze on a textile ceiling or when a mill is operating at a loss, the natural thing for the mill to do is to seek to decrease its loss. The first thing it does is to depress the price of cotton. Because the price of cotton is flexible, and can be depressed; and the cotton mills frankly state that is what they have been forced to do.

Mr. AIKEN. Mr. President, will the Senator yield? Perhaps he can give me some information which I desire to have.

Mr. BANKHEAD. I yield.

Mr. AIKEN. If there has been so little increase in the price of cloth, as may be charged by the mills, what is the reason for the very serious complaints we receive as to the tremendous increase in the cost of clothing? Where has the increase which has caused such a commotion among the consuming public occurred?

Mr. BANKHEAD. I shall be very glad to answer that question as best I can. We have given it a great deal of consideration. We have implored the Office of Price Administration to institute a different system, so as to prevent the exorbitant and black market profits on dresses, underclothes, and other wearing apparel, particularly the low-priced garments worn by the working people.

One of the most unfortunate results of this situation, aside from the losses to the farmers—for I am talking now about the prices of the goods—has been the unfortunate reputation which has been given to high-class men in the cotton-mill industry. They are generally regarded as being the chief criminals in the unlawful, wild, inflationary runaway in the prices of cotton goods after the goods leave the cotton mills.

As I have stated, ceilings were placed on the cotton mills 2 years ago. Those ceilings stand today, and there is no charge by the O. P. A. or anyone else that the ceilings fixed by the O. P. A. are being violated by the cotton mills. In the conduct of their business they stand unimpeachable so far as the price situation is concerned. So, without the farmer's price being increased, and without the prices of the manufacturers of the raw material being increased, the Senator properly asks, and others inquire, "Where does the increase come from?" It comes from the converters of the cotton cloth after it leaves the mills. From there on down to the consumer, the prices of those goods are increased more than 200 percent over the

prices of the goods as they come from the cotton mills.

Converters, cutters, knitters, and various other groups handle the goods. Take the group called converters. They do not have any business, except an order business. They do not make any investment. With a typewriter they may order from the mill so much grey goods, or other kinds of cloth. Then they proceed to send it to others engaged in working upon the cotton goods before they reach the retail stores. The goods are sent to cutters, who cut the patterns. They are sent to knitters, and various other manufacturers. Every time the goods are handled there is an increase in the price, and as the cost goes up the commissions are increased, based upon the amount, just as a surtax is increased. The larger the amount of the order which is placed the higher the percentage for handling it. In that way the increase in cost is accelerated, until the goods reach the retail stores.

Of course, the O. P. A. is supposed to fix prices in retail stores. I recognize that that is a rather difficult task. I do not know how well those prices are followed, but we hear complaints from all over the country that cheap cotton dresses worn around the house, which formerly cost less than a dollar in some instances, and less than \$2 in nearly all cases, are now selling for \$5, \$7, and even \$15.

We know that that is one of the evils which should be remedied, even if it costs money. Cotton goods have become almost unobtainable in some stores. There is a great scarcity of cotton goods. What is the reason? Of course the reason is production. They are not being made. The people have plenty of good money in their pockets, and are looking for cotton goods. They are anxious to find them and buy them, even at high prices. They do not like the prices, but they are forced to buy cotton goods. They cannot find them, even at these scandalous and outrageous prices.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AIKEN. From what the Senator from Alabama says, it would appear that if the farmer were to give away his cotton the consumer still would have ground for complaint as to the cost of the finished products.

Mr. BANKHEAD. I believe that is true.

Mr. AIKEN. What reason or excuse does the O. P. A. give for permitting such conditions and such prices to exist?

Mr. BANKHEAD. I have not talked directly with officials of the O. P. A. on that subject, but I have talked with persons who have. It is said that the situation simply got out of hand, and therefore we have had a run-away price condition. Prices are still running away.

It is said to be impracticable—or, as I construe it, it would require too much work—to review prices after the cloth leaves the cotton mills. It is not claimed that there is any abuse on the part of the cotton mills themselves. The cause

is said to be factors which are beyond the province of the cotton mills, for example, the charges about which I have been speaking, made by converters, distributors, handlers, and others engaged in handling the goods.

I have heard it said that the O. P. A. does not have legal authority to reduce prices; that it can permit prices to rise, or hold them where they are, but cannot bring them down. I have an amendment to meet that very situation which would give the O. P. A. authority to reduce prices. I shall offer the amendment later.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MALONEY. As the Senator knows, the O. P. A. already has the power to reduce prices.

Mr. BANKHEAD. I believe it has; but it will not exercise the power, and I have heard it claimed that it does not have the power. It certainly will not exercise it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AIKEN. Is it because the O. P. A. does not have the manpower or the money to do the job properly?

Mr. BANKHEAD. I could not say as to that.

Mr. AIKEN. If it be true that the O. P. A. does not have the money, then the responsibility rests largely upon us.

Mr. BANKHEAD. If the O. P. A. has asked for it.

Mr. AIKEN. If the O. P. A. has asked for it.

Mr. BANKHEAD. As the Senator knows, I am a member of the Appropriations Committee. I have heard of no such request from the O. P. A. We have been giving the O. P. A. all the money it has asked for.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. The Senator from Vermont spoke about the trouble in the O. P. A. The trouble is that the men who are actually conducting the cotton program in O. P. A. have had absolutely no experience in the cotton business. They were moved to Washington from minor places in the Department of Labor and in the National Labor Relations Board, and placed in the cotton section of O. P. A. Economics teachers and men without experience in any line of business cannot be placed at the head of a business and be expected to make a success of it. I am absolutely sure that those gentlemen are honest and sincere, but they are professional teachers who have never had any experience in the cotton business. Most of them have never been in a cotton mill in their lives. They have never been on a cotton farm, and yet they are put in charge of the cotton industry. One of the most powerful men in the O. P. A., so far as cotton is concerned, was Harry Hopkins' economic adviser when Mr. Hopkins was Secretary of Commerce. He knows absolutely nothing about cotton, and yet he is one of the powers in

formulating the cotton policy of the O. P. A. and the Government.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. HAWKES. I served on the subcommittee with the Senator when this amendment was considered. It is my very clear recollection that the majority of the committee proved to me—and I profess to know very little about the cotton business—that the prices established by O. P. A. on textile products in 1942 were definitely established on the basis that the parity price of cotton would be paid. Is that correct?

Mr. BANKHEAD. That is correct.

Mr. HAWKES. The maximum prices fixed for textile products at that time contemplated a fair and reasonable profit, did they not?

Mr. BANKHEAD. That is true.

Mr. HAWKES. If the payment of a parity price for cotton at the present time, coupled with a fair maximum ceiling price on textile products, does not leave a profit, it is simply because something else has got out of hand, is it not?

Mr. BANKHEAD. That is true, obviously.

Mr. HAWKES. In other words, either the labor charges have increased, or the costs of fuel and the various other costs referred to by the Senator from Mississippi have increased to such an extent as to deny a fair profit to the textile mills; and the power lies within the O. P. A. to carry through the original plan of paying parity for cotton and establishing ceiling prices which will permit a reasonable profit.

From my point of view our American way of life and the free enterprise system should insure that no man shall be ordered by the Government to make anything at a loss, or without a reasonable profit. If we cannot maintain such a principle, I think we are through with our American free-enterprise system. It seems to me that the O. P. A. has ample authority to lower the price, as the Senator from Connecticut has said, on certain items which may be too high, and fix the price on other items which may be too low, in order to bring about the production which the American people need. After all, laws do not make clothes. We can pass all the laws in the world, and they will not produce cloth from which clothes can be made at a proper price, and enable the people to be served. I am just as deeply interested in preventing a rise in the cost of living as any other man can be, but I know that the working people will not be able to maintain their homes and receive their just wages unless we make possible the existence and maintenance of a system of free enterprise with a reasonable profit to all. Does the Senator agree with me?

Mr. BANKHEAD. I am in full accord with the Senator's statement.

Mr. HAWKES. If I had my way, the law would not permit the O. P. A. to order anyone to make an article which did not show cost and a reasonable profit. Then, if anyone were found to be making an excess profit it could be taken away from him providing that such action were warranted in consideration of the

demands of the Nation in time of war. I am not talking about how much profit anyone should have, but I am talking about the great fundamental principle in the American free enterprise system.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MALONEY. I should like to point out that the Senator has somewhat scrambled his observation by talking about a system of free enterprise, as he talks about cotton. We cannot have a free-enterprise system and protect cotton. We have been talking about a 100-percent loan.

Mr. HAWKES. I am not talking about a 100-percent loan.

Mr. MALONEY. I did not say the Senator had been talking about it. I said that we have been talking about it.

Mr. HAWKES. I am talking about a principle involved in our American system of free enterprise.

Mr. MALONEY. The principle involved is not one of free enterprise because the Senator, as well as every other Senator, knows that we cannot have free enterprise and keep the cotton producer in business.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TAFT. I see no reason why, in a system allowing a proper price for raw cotton, free enterprise should not remain throughout the industry. It is perfectly possible, as has been done for many years, to superimpose upon a Government controlled price for raw cotton a completely free enterprise system with respect to the producer and the distributor.

Mr. MALONEY. I agree, but when we provide an 80- or 90-percent loan on cotton we abandon free enterprise.

Mr. TAFT. No, it would not be abandoned at all. The principle of free enterprise may be modified insofar as the producer is concerned.

Mr. MALONEY. That is what I say.

Mr. BANKHEAD. I do not believe that the Senator would insist that an abandonment of free enterprise has taken place with respect to all basic commodities. He has specified cotton. We also have such commodities as wheat, corn, tobacco, rice, and peanuts.

Mr. MALONEY. Oh, I agree with the Senator. Under existing circumstances I am in favor of the 100 percent loan for cotton.

Mr. BANKHEAD. But the Senator is not in favor of this amendment.

Mr. MALONEY. I have supported every cotton-loan bill which has come before the Senate.

Mr. BANKHEAD. The Senator knows that a 100-percent loan cannot be administered.

Mr. MALONEY. I do not like the idea of voting for a 100-percent loan. I certainly wish, however, to defeat this amendment. The Senator is correct about that.

Mr. BANKHEAD. I thank the Senator, and I am glad to say that he has been liberal in connection with farm legislation. I think that he has believed very much along the lines I have believed with respect to general agriculture legislation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AIKEN. It has appeared to me that the Office of Price Administration already has ample authority to deal with the situation which apparently exists, if it sees it as it is, and desires to make whatever correction is necessary. I am wondering how long it has been since the Office of Price Administration has reviewed the situation, and whether it has declined to make adjustments.

Mr. BANKHEAD. It has declined in the last week or two. However, that would apply to the regulation of the cotton-goods industry, but would not cover the escalator clause about which we have been talking.

Mr. AIKEN. But the O. P. A. could set a price on raw cotton goods which would give the manufacturer no excuse for not returning to the farmer full parity price for his cotton.

Mr. BANKHEAD. For 2 years it was done without any excuse.

Mr. AIKEN. There have been some increases in the cost of manufacturing, even within the last few days. I refer at least to some items. It seems to me that the O. P. A. should recognize the situation and make it unnecessary for Congress to legislate in that direction.

Mr. BANKHEAD. I stated, perhaps before the Senator entered the Chamber, that there has been a persistent effort within the last 3 or 4 weeks, perhaps within a greater span of time than that, by representatives of the National Cotton Council, to bring about adjustments which we have been here discussing. The O. P. A. finally announced that nothing would be done about it. One of the officials who appeared before the Banking and Currency Committee told me that they could not do anything about it. So there is no question about it. We have exhausted all resources and have failed.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BURTON. I wish to be sure that I understand the Senator. Is it his contention that there was ample authority in the O. P. A. to grant relief, but that the O. P. A. did not grant any relief after all the appeals had been made to it?

Mr. BANKHEAD. That is exactly correct.

Mr. BURTON. So the present proposal would be merely an attempt through a board of appeals to overrule the decision of the O. P. A.

Mr. BANKHEAD. I do not know what the Senator would call it. I know that the cotton farmers are entitled to relief, and that they have not been able to obtain it. We are therefore asking Congress to grant such relief. I do not believe there is any technical application concerning the overruling of the decision.

Mr. BURTON. I do not wish to be technical, but I wish to be certain concerning the precedent which may be established in regard to decisions of the O. P. A. Is it intended that unfavorable decisions of the O. P. A. shall come before the Senate for its action in coun-

teracting by legislation an administrative ruling?

Mr. BANKHEAD. I believe the Senate should have sufficient interest in the proper enforcement of our laws, and in the public interest which is involved, to take action when any agency of the Government, under admitted facts, has failed to take steps to rectify an adverse situation. I am not willing to submit supinely to that kind of administration.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TAFT. I wish only to suggest that one of the dilemmas created by the present law is a justification, perhaps, for legislation on this particular subject. So far as I know, cotton is the only product selling below parity, or the comparable price provided by the law. The act provides that a maximum price for cotton cannot be fixed below parity. It also states:

No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a)—

And so forth. A curious effect grows out of such language. If prices must be fixed on the basis of cotton before it has reached parity, the result is that they must be fixed on the basis of parity under the law. Thereupon, if the mills do not pay parity, they will receive more than a reasonable margin and will make excessive profits. Cotton is the only product I know of in connection with which there is such a dilemma. There should have been in the law, and there should be put is now, something like the escalator clause providing that under those circumstances the price of the manufactured products shall be reduced. That is what the Senator's amendment does. I think there is a justification for the legislation dealing with cotton, because the dilemma created by the act applies at the present time, so far as I can see, only to cotton.

Of course, as a practical matter, under the act I suppose if it was desired to conform to it and not get into this dilemma one would be forbidden to fix any retail prices for cotton goods. A margin could be fixed, it could be said that certain goods are to be sold at a certain price over the price that is being paid for cotton. A margin could be fixed for the producer, but the retail price could not be fixed. The Price Administration feels today that it is absolutely essential for their system of price control that they fix maximum prices on cotton goods. Yet if they do they are up against the difficulty that, under the law, they will have to give the mills more money than they are entitled to, more than proper margins, because they have got to base the price of cotton goods on parity. I do not see how we can get away from that dilemma, unless we enact some such provision as the Senator has provided in his escalator clause, to deal with cotton, and I do not think it is necessary for any other product.

Mr. BANKHEAD. Mr. President, following the statement of the Senator from New Jersey [Mr. HAWKES] as to what occurred in the subcommittee I want to read from a recent statement submitted by the O. P. A. to the Banking and Currency Committee while it was considering this bill on April 25:

III. The contention that existing ceilings on cotton textiles prevent cotton from reaching parity.

That is the contention which the O. P. A. proceeds to answer.

I stated in the earlier part of my address that on a number of cotton items the ceiling price was so low that the mills could not pay the parity price. I mentioned them and gave the figures. I read this statement of the O. P. A. in response to the Senator's statement. He is right about it, and I want to confirm it by the statement of the O. P. A. itself. I continue the reading:

III. The contention that existing ceilings on cotton textiles prevent cotton from reaching parity: The most serious criticism expressed at the hearings was the charge that existing textile ceilings are preventing or have prevented cotton from reaching parity. If this charge were well-founded it would, of course, mean that the ceiling prices have been in violation of law.

They admit, as they must admit, that they have no right under the law to fix the ceiling price so that the manufacturing process would not reflect parity.

I read further:

O. P. A. has given the most intensive study to this question. All the evidence bearing upon the movement of cotton prices which it has been able to gather, or which has been submitted to it, shows that the charge is unfounded—that cotton prices have not been prevented from rising by textile ceilings. This evidence is considered below in connection, first, with mill earnings; second, with the large carry-over of cotton; and, third, with the current operating demand of the mills for cotton, as determined by the volume of textiles they are able to produce.

A. Mill earnings: Is the price of cotton below parity because the textile companies cannot pay more for cotton? The evidence against such a contention is overwhelming.

In other words, if the escalator clause were adopted there would be no increase in the ceiling prices, there would be no increase in the price of cotton goods, and there would be no justification whatever for the clamor set up that inflation would be brought about. The statement of the O. P. A. is totally inconsistent and utterly in conflict with the assertion that this amendment would increase prices and tend to cause inflation.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. BANKHEAD. Let me finish reading from this statement.

Mr. MURDOCK. I have sat here patiently while the Senator yielded to a number of other Senators.

Mr. BANKHEAD. I did not mean to be discourteous to the Senator at all.

Mr. MURDOCK. I know the Senator did not.

Mr. BANKHEAD. But I should like to finish with this matter.

Mr. MURDOCK. I will wait patiently.

Mr. BANKHEAD. Unfortunately, the Senator was in a position where I could not see him well.

Mr. MURDOCK. The Senator turned his back and spoke to the other side.

Mr. BANKHEAD. Because most of the Senators were on the other side.

I continue reading from this statement by the O. P. A.:

The ability of the mills to pay higher prices for cotton, and indeed to pay higher than parity prices, can be shown by a comparison, first of all, of mill earnings in the year 1942 with representative peacetime earnings, and then by a comparison, based on a somewhat smaller sample, of 1943 earnings with those of 1942.

There is more along that line, and then on the next page it is said:

It is thus clear that the earnings of the textile mills are more than ample to permit a rise in the price of cotton to parity and above. A rise of 2 cents a pound in the price of cotton would bring cotton well above parity. It takes about 2½ pounds of cotton gross to produce one dollar's worth of fabric. Such a rise in the price of cotton would reduce the profit margin of the industry from 12.5 percent to 7.5 percent on sales. This figure, however, would still be more than double the base-period percentage. Moreover, the dollar volume of profits would be about five times what it was in the base period.

Notwithstanding that positive written declaration filed by the O. P. A. with the Banking and Currency Committee that the mills have ample margins with which to pay parity, we are told that if they do pay it, it will bring about inflation and increase prices paid by the consumer from \$150,000,000 to \$350,000,000. That is the situation; that is what we have to deal with here. I now yield to the Senator from Utah.

Mr. MURDOCK. I wish the Senator would explain now or at the proper time when he comes to it the meaning of this clause in his amendment: "and for each subsequent 60-day period, if the actual current market value of such cotton at the beginning of such period is lower than such parity price."

And so on. The question in my mind is how does the Senator, the author of the amendment, define "at the beginning of such period"? Is that the first day of the period?

Mr. BANKHEAD. Sixty days or thirty days, whatever the language is.

Mr. MURDOCK. The provision may limit it to the beginning of such period. I think that is very important, and I hope the Senator will explain just what he means by the words "and for each subsequent 60-day period, if the actual current market value of such cotton at the beginning of such period."

If I understand the amendment, the words "at the beginning of such period" are very important, and I should like to have the author of the amendment define specifically what he means by that language. Is it the first day, the first 2 days, the first week, or what is it?

Mr. BANKHEAD. It says "except that for the 60-day period beginning 120 days after the date of enactment of this paragraph."

Mr. MURDOCK. The language I should like to have the Senator to define

is "at the beginning of such period." Is the price on that day to be taken?

Mr. BANKHEAD. I think the Senator did not read all the language. It says "120 days after the date of the enactment of this paragraph." I do not see how there could be any uncertainty about that. The affected persons are given some reasonable time, of course, to readjust their affairs and go into an accounting of the costs.

Mr. MURDOCK. I am making the inquiry in order to clarify in my own mind, and I think in the minds of other Senators, what is meant by the amendment. We are through, let us say, with the 120-day period; that has passed. Then an adjustment must be made for the ensuing 60 days on the market value at the beginning of that 60-day period. When the amendment says the beginning of the period, does it mean the first day, the second day, the third day, or the first week, or what does it mean? As I understand from the discussion and the evidence before the committee, the cotton market fluctuates from day to day, so that the market might be parity on the beginning day of the period and slump immediately to a point below parity the next day, and on the ensuing days. If I am wrong in that, I should like to have the Senator to explain the situation to me.

Mr. BANKHEAD. Each 60 days there will be a reexamination, to ascertain if the market price of cotton is up to parity.

Mr. MURDOCK. At the beginning of the ensuing period?

Mr. BANKHEAD. Yes. How would the Senator want to make it?

Mr. MURDOCK. What seems to me wrong is to say that if the market price of cotton on one day in a 60-day period is up to parity, then in fixing prices during the ensuing 60 days, the O. P. A. must assume that the cotton exchanges and the mills are buying cotton at parity for the entire 60 days. If the amendment means that, it is one thing. If the amendment merely means that the price on one particular day, the beginning of the period, controls throughout the ensuing 60 days, then I wonder what cotton brokers and cotton buyers can do with the farmer during the 59-day period.

Mr. BANKHEAD. Of course, the Senator's friends, the O. P. A.—

Mr. MURDOCK. They are not my friends any more than they are the Senator's. I have asked a fair question.

Mr. BANKHEAD. I say, they have charge of the application of the formula.

Mr. MURDOCK. That is correct.

Mr. BANKHEAD. I have sufficient confidence in them to believe that they would not adopt any technical definition which would do injustice to the farmers, or would give any particular advantage to the mills. They might use an average price.

Mr. MURDOCK. The Senator could put that into the amendment, but he has not done so. The amendment says, "at the beginning" of the 60-day period.

Mr. BANKHEAD. If it will cause the Senator to vote for the amendment, I will let him fix the time.

Mr. MURDOCK. I do not intend to vote for this kind of an amendment, but the Senator should look very keenly at that phrase "the beginning of such period," and see if it means what he wants it to mean.

Mr. EASTLAND. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Radcliffe
Austin	Green	Reed
Ball	Guffey	Revercomb
Bankhead	Gurney	Reynolds
Barkley	Hatch	Robertson
Bilbo	Hawkes	Russell
Brewster	Hayden	Shipstead
Bridges	Hill	Stewart
Buck	Holman	Taft
Burton	Jackson	Thomas, Idaho
Bushfield	Johnson, Colo.	Thomas, Okla.
Butler	Kilgore	Thomas, Utah
Byrd	La Follette	Tobey
Capper	Lucas	Truman
Caraway	McClellan	Tunnell
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Walgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Moore	Wheeler
Eastland	Murdoch	Wherry
Ellender	Murray	White
Ferguson	Nye	Wiley
George	O'Daniel	Willis
Gerry	Overton	Wilson

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

GREETING TO MAJ. ROBERT JOHNSON,
UNITED STATES ARMY AIR FORCE

Mr. THOMAS of Oklahoma. Madam President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BANKHEAD. I yield.

Mr. THOMAS of Oklahoma. Madam President, I wish to call the attention of the Senate to the fact that there is now present in the gallery a young officer who has distinguished himself on the battlefield in the present war. This young officer comes from my home county-seat town of Lawton, Okla. I have known his family since as long ago as I can recall, and I have known this young officer for a long time, although he is still a youngster. He is a member of the Air Forces. He is the first ace in the European theater. He already has 27 enemy planes to his credit, and it is thought he has 3 and probably 4 more. If I may have the permission of the Senate, I ask unanimous consent that the young officer may rise in the gallery so that Senators may see the type of men we have on the fighting fronts winning victories and glory for the Allied cause. I present Maj. Robert Johnson.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Major Johnson rose from his seat in the gallery and the Members of the Senate rose and applauded.

Mr. THOMAS of Oklahoma. I should like also, Madam President, to present the officer's wife, Mrs. Robert Johnson.

Mrs. Johnson rose from her seat, and the Members of the Senate rose and applauded.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. AUSTIN. Mr. President, will the Senator yield to me for some questions?

Mr. BANKHEAD. I am glad to yield.

Mr. AUSTIN. I have understood from the remarks of the distinguished senior Senator from Alabama that the price asked and paid at the present time for raw cotton is less than the parity price. Is that correct?

Mr. BANKHEAD. That is correct.

Mr. AUSTIN. Is there on hand at the present time a store of raw cotton which is available to the market if the market wants it?

Mr. BANKHEAD. There will be, as estimated by the Bureau of Agricultural Economics, about 10,000,000 bales on hand before the new crop starts to market.

Mr. AUSTIN. Is that now available? Can it be purchased by a manufacturer at the present time?

Mr. BANKHEAD. It is all open to purchase.

Mr. AUSTIN. There is no restriction by O. P. A., and no other governmental interference, in a transaction between a manufacturer and the present owner of the raw cotton; is that correct?

Mr. BANKHEAD. There is no restriction or limitation on cotton which is not owned or held by the Government.

Mr. AUSTIN. On that which is held by the Government, is there a restriction?

Mr. BANKHEAD. Yes; there is a statutory restriction that it cannot be sold at a price below the parity price.

Mr. AUSTIN. That is the only one; is it?

Mr. BANKHEAD. Yes; and that limitation applies to approximately 6,000,000 bales, but there are 4,000,000 or 5,000,000 bales of free cotton, owned by the cotton merchants or the mills.

Mr. AUSTIN. Yes. So, Mr. President, the important shortage of manufactured cotton goods to which the Senator has so definitely referred cannot be attributed to the price of raw cotton; can it?

Mr. BANKHEAD. No; it cannot be attributed to either the price of raw cotton or the quantity of raw cotton.

Mr. AUSTIN. There is an ample surplus to take us to the next crop, sufficient for the ordinary and normal demands; is there not?

Mr. BANKHEAD. That is correct; there can be no question about that fact.

Mr. AUSTIN. Then there must be some place in the chain of operations be-

tween the field production of cotton and the final use of the cotton which accounts for the price which is asked for the cotton goods. Where is it?

Mr. BANKHEAD. Of course, as to the reason why consumption by the cotton mills is being reduced, several statements are made. In the first place, the O. P. A. claims as I understand the argument, that the mills have had some reduction in their supply of labor, which has brought about some decrease in consumption of cotton and production of cotton goods.

Mr. AUSTIN. In other words, there is a shortage of manpower; is there?

Mr. BANKHEAD. Yes; mainly a shortage of women and girls in the factories, so it is claimed. But I insist that cannot be true, because the factories have not had any great exodus of employees which would bring about a reduction of consumption of, let us say, 100,000 bales in the last month.

The mills claim it is due in large measure to the restriction of the ceilings on certain items of goods; they claim that the ceilings are so low that they cannot produce the goods at a selling price which will reflect a parity price to the farmer. In fact, they cannot break even. Some mills have failed and have gone out of business because they could not break even in their operations, under the ceiling prices which have existed. One in my State, at Talladega, had such an experience.

Those are the principal reasons. The mills say they cannot make a profit. They have shifted from the manufacture of low-cost goods, the very kind that are now so scarce, and that shift has made them scarce, to the production of high-grade, high-class, high-priced goods.

Mr. AUSTIN. I know from recent observation that, in that category, there is a great shortage, also. As nearly as I can ascertain the situation, there is a great shortage of all cotton goods.

Mr. BANKHEAD. That is true.

Mr. AUSTIN. I think the Senator understands what I have in mind. I am endeavoring to ascertain what change occurs between the time when the cotton itself comes off the farms and the time when the cotton is worn, which in the present times causes the manufacturer to close his mill, rather than to go ahead, and which causes him to lose money, instead of making a profit. Somewhere there an economic reason for the present shortage. Is it the increased cost of labor?

Mr. BANKHEAD. No. The mills have not had any great increase in the cost of labor, although they have had some increase. The C. I. O. has now on file in Washington an application for a large increase.

Mr. AUSTIN. Is the shortage due to the increased cost of power?

Mr. BANKHEAD. The contention of the cotton mills is chiefly that they cannot make any more, under the present ceiling prices.

Mr. AUSTIN. I know, and that is an economic matter which I am endeavoring to explore.

Is the cause of the shortage an increase in the cost of sales? Somewhere along the line there is a cause for the

manufacturers' inability to produce the commodities at a profit. Their profits are absorbed in something connected with the production or manufacture of the cotton goods. The fault cannot be the farmer's, because the price he receives is below the parity price.

Mr. BANKHEAD. No; it is not the cotton farmer's fault. The mills necessarily have had some increases in cost. I do not know about all the items; I have not investigated all of them. But the mills have broadly made the contention to the O. P. A. and to others that for a number of items the ceilings were so low that they could not produce and operate; they could not break even. Therefore, production has been reduced.

Mr. AUSTIN. Assuming that the Bankhead amendment were adopted, and assuming it had the effect of lifting the ceiling to which the Senator has referred, but assuming also there was nothing about the transaction which directly affected the price to the producers of the raw cotton, how would this remedy be of the usefulness which the Senator seeks to have it be?

Mr. BANKHEAD. The explanation is very brief and very simple. The cost of the operation of the mill is ascertained by the O. P. A. Under this formula the mills would receive the cost, plus a reasonable margin of profit. The O. P. A. calculates what the cost to the mills is. In doing so, the O. P. A. assumes that the cotton has cost the mills the parity price. In the ceiling price, the parity price of cotton is included, as representing what has been paid in purchasing the cotton. As has been the case ever since the rule was established in 1942, the mills receive credit for paying to the farmers the parity price, which they are supposed to pay, but if they do not actually pay that price, then the escalator clause is placed in effect. It is well known, and was used for a time by the O. P. A. The escalator clause is put into effect if that situation obtains. It is easy to ascertain whether that situation obtains, because the market price controls. If it is ascertained that the mills have not bid the price of cotton up to the parity price, and that the farmers are not receiving the benefit of the parity price, then the so-called tripping occurs, and the O. P. A. pulls down the ceiling price to a degree equal to the amount the farmer should have received, but did not.

Mr. TAFT. Madam President, will the Senator yield to me for a moment?

Mr. AUSTIN. Madam President, I should like to finish my questions.

Mr. TAFT. I think I have the answer to the question the Senator asked.

Mr. AUSTIN. I will merely follow the question one step further, if the Senator will excuse me, and then I shall be glad to give way.

As I have indicated to the Senator, that is where I have my trouble.

Mr. BANKHEAD. Yes.

Mr. AUSTIN. For, unless I misunderstand the Senator, the effect of that process would not be to pour into the market the necessary finished cotton goods for women and children, many of whom need them now but cannot find

them. That is really the most important element in the problem; is it not?

Mr. BANKHEAD. Not from the farmers' standpoint, but from the public's standpoint, that is true.

Mr. AUSTIN. It would reflect a benefit to the farmer.

Mr. BANKHEAD. Yes; but the theory is that an increase in the margin of profit will result in an increase in production, because production of many items in many mills has been slowed down. But the doctrine is the old one that a profit incentive is the best one to bring about an increase of production and a decrease in price.

Mr. AUSTIN. That is working in the opposite direction from pulling open the throttle and pulling down the price; is it not?

Mr. BANKHEAD. Yes; but we do not expect to do that.

Mr. AUSTIN. If the price is pulled down, that does not result in affording to the manufacturer the surplus or the net profit which he should have, according to the formula of the Senator from Alabama.

Mr. BANKHEAD. No. He should not have it if he does not pay parity. He is given that profit on the theory that he will pay parity to the producers.

Mr. AUSTIN. I thank the Senator very much.

Mr. BANKHEAD. He has an excess profit. He has the profit to which he is entitled, and he has something over, an excess profit.

Mr. AUSTIN. As I understand, at the present moment he is not paying a price equal to parity, and yet many of them are not able to make any profit, and are therefore closing down. The quantity of production is being reduced all the time, and the public is suffering very much for the lack of cotton goods. That is the problem with which we are faced. I should like to know, if possible, what would be contributed by the amendment of the Senator from Alabama toward solving that problem. I do not believe that the amendment would involve a very great step toward inflation; but assuming that it does have some such tendency, if I thought that it had any real beneficial purpose to serve in solving this exceedingly serious problem, I would favor it, even at the risk of a trend toward inflation.

Mr. BANKHEAD. Let me say to the Senator that representatives of two great organizations representing the farmers thoroughly agree that this provision is definitely in the interest of the farmers. Representatives of the National Cotton Council and of the Farm Bureau Federation, which has members all over the South, have agreed, after consultation with owners of cotton mills, that the cotton mill will pay parity to the farmers. So all factions involved believe that this amendment is to the interest of the farmers. If the farmer does not receive the difference between the present market price and the parity price, who gets it? The price is reduced to the cotton mills for their output if they do not pay parity. Who gets that reduction? The consumers, of course. Either the farmers or the people of the

United States who consume cotton goods get it.

Mr. AUSTIN. My great trouble, I will say frankly, is that as I see it, no one will get anything if the situation now existing continues.

Mr. BANKHEAD. That is true.

Mr. AUSTIN. The public does not get the finished cotton goods; the manufacturer does not get his profits, and the producer of raw cotton does not receive parity.

Mr. BANKHEAD. The Senator has well stated the case.

Mr. AUSTIN. That seems to be the major premise. All I wish to know is that the proposal before the Senate would have a reasonable tendency toward solving that problem.

Mr. BANKHEAD. The Senator is eminently correct when he says that if we permit the present situation to drift, no one will receive any benefit. The public will suffer and the farmers will suffer, because the ceilings on the goods do not reflect parity to the farmers. The situation will continue to grow worse. The goods are becoming more and more scarce, and we have what might be termed a black market. I do not know why prices are so rapidly increased from the time the goods leave the mills until they reach the shelves of the merchants. Prices are increased in some cases as much as 200 percent. No one receives any benefit from that, unless it be the operators who are increasing prices so rapidly. The O. P. A. is not stopping it. It is acquiescing in that condition and permitting it to continue. If it continues, goods will become more and more scarce.

Mr. TAFT. Madam President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TAFT. Answering the first question of the Senator from Vermont [Mr. AUSTIN] as to the increase in prices, I should like to read a portion of a letter from the Underwear Institute, which is an association of woolen mills devoted to the manufacture of men's and boys' heavy underwear. That is one of the items which has been selling below cost. It is one of the low-priced items. Prices have been held down so that it is now selling below cost. The letter states, in part:

Four of our mills have already closed their doors because of this and five more are about to do so, reducing materially badly needed production of underwear for our people.

The War Labor Board is, mill by mill, increasing underwear mills' minimum wages from the congressional-fixed minimum of 40 cents per hour to 50 cents per hour. This is an increase of 10 cents per hour per employee because, unless you reflect this 10 cents per hour increase throughout the plant, the other employees will strike or quit. Thus, if a mill has 100 employees working 8 hours a day, that is 100×8×10 cents, or an increase of \$80 per day in that mill's labor cost. Figuring conservatively 300 working days per employee per year, that means an increased labor cost of \$24,000 per year to the mill.

Further, and if a mill is located in an area declared critical by the War Manpower Commission, and we have several such areas, the mill must work an additional 8 hours per employee per week for a weekly total of

48 hours. Under Federal law it must pay time and one-half overtime for each hour of the additional 8 hours over 40 per week. Average hourly earnings in the industry are 61.8 cents per hour. The additional one-half which must be paid for this overtime is roughly 30 cents per hour. Taking our mill with 100 employees and multiplying the 100 by 8 hours by 30 cents, you have an additional Federal Government imposed labor cost of \$240 per week, over and above regular straight time cost for the same production. Considering the working weeks in the year as 50, you have roughly \$240×50 or \$12,000 additional labor cost per year for which O. P. A. gives no relief.

That represents an increase in labor cost of \$36,000 a year in the case of a small mill.

At the time prices were originally fixed, this particular type of underwear was selling on a very close margin. There has been no increase since then. Although the administration itself recommended an increase more than a year ago, none has been made. I think we can say that in most cases the increase in cost is almost entirely due to increased labor costs. In this case, in addition, when prices were originally fixed, they were fixed practically at cost, with no profit. This is one of the cases in which there has been an increase in cost.

On the other hand, according to the testimony in the case of another mill—I believe it was a towel mill—the price of cheap towels has been held absolutely rigid, with the result that there are no cheap towels. The mill has shifted to the production of expensive towels, which sell at higher prices. Those towels formerly cost perhaps twice as much to make as they now cost. By increasing the volume of production the cost of manufacture has been greatly reduced, and the mill is making a large profit on the expensive product.

It seems to me that the handling of the cotton-textile industry is one of the great failures of the O. P. A. I think it has been due to the fact that the O. P. A. has insisted upon holding down rigidly the prices of cheaper products for the benefit of the lower-income groups, no matter what happened. The result has not been helpful, because such action has prevented the manufacture of the cheaper goods, and the lower-income groups have had to buy the more expensive goods at higher prices. That is one reason why I am willing to make an exception, because I believe that this is one of the great failures of the O. P. A. In most cases, regardless of how much injustice there may have been—and I shall deal with that question at another time, on a different subject—the O. P. A. has held down prices to consumers. In this case the result of the O. P. A. policy with respect to cotton goods has been in no way to hold prices down. That is the chief criticism of the labor groups today. When the cost of living is discussed, it is figured on the basis of imaginary prices for goods which do not exist. Prices of cotton goods have increased to a greater extent than those of any other product.

Mr. EASTLAND. Madam President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. The Senator from Ohio is exactly correct. Most of the cotton mills manufacture three or four textile commodities. Work clothes and other cheap products have always been manufactured on a narrow margin of profit. That has always been true throughout the history of the industry. High-quality merchandise is manufactured on a wide margin of profit. Costs in the textile industry have increased to a great extent. Officials of the O. P. A. have told me that generally costs in the textile industry have increased more than 20 percent in the past few months. Because of the price ceilings on the low-priced goods, the mills have shifted their production from goods on which they were losing money to high-priced goods on which there is still a profit. When the industry is stabilized, as this amendment would do, by decreasing the ceilings which are inflationary and increasing others to place them back on a profitable basis, then we shall have production of the cheaper items. There will be cheap clothes for the workingman and the low-income group in America.

Mr. WAGNER. Madam President, will the Senator yield for a question?

Mr. BANKHEAD. I am glad to yield.

Mr. WAGNER. As the Senator well knows, I am in sympathy with his efforts to aid in securing parity for the cotton farmers.

Mr. BANKHEAD. I have no doubt of it.

Mr. WAGNER. We may differ only in the method of bringing about such aid.

Mr. BANKHEAD. That is true.

Mr. WAGNER. During the hearings which were held by the committee many witnesses appeared. Aside from a few isolated instances, was it not shown that all our mills and textile manufacturers were making the largest profits they had ever made?

Mr. BANKHEAD. I did not hear any testimony of that nature before the committee, unless it was by some representative of the O. P. A. I may say to the Senator that it has been recognized that some of the mills manufacturing special items of cotton goods, which are high in price, are making a good profit. I do not know whether the profit is the highest in the business. I have heard it said that profits in the cotton mills during the period 1936-39 were the highest. I believe a representative of the O. P. A. made the statement. However, I challenge its accuracy.

Allow me to say to the Senator that, as I stated at the beginning of this discussion, some mills are making excessive profits, profits which are greater than they should be permitted to make. But as the Senator knows, the O. P. A. has the power to adjust ceilings and profits. While some of the mills are making excessive profits, many of them are running in the other direction. Some of them have deficits, and many of them are on the borderline where they may run into the red.

Mr. WAGNER. I believe the Senator will recall the testimony of Judge Vinson.

Mr. BANKHEAD. I did not hear it. However, I do not think Judge Vinson is a practical cotton man.

Mr. WAGNER. He comes from a State which produces considerable cotton.

Mr. BANKHEAD. No; I do not think so. His State is Kentucky. Kentucky has raised horses and pretty women. However, I recognize Judge Vinson as a very able man, and I have very great respect for him. I did not hear his testimony.

Mr. WAGNER. He testified to large profits being made by the textile manufacturers, and also to large profits being made by the mills at the present time.

Mr. BANKHEAD. I think they are making sufficient to enable them to pay the farmer parity for cotton. Under the escalator clause, if my amendment is agreed to, they must do so.

Mr. WAGNER. I think the profits will be increased somewhat.

Mr. BANKHEAD. Not unless the O. P. A. allows it.

Mr. WAGNER. No; I am speaking of the formula.

Mr. BANKHEAD. It is all a matter of administration.

Mr. MAYBANK. Madam President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MAYBANK. I am in thorough agreement with what the Senator from Alabama has said.

Lest it be forgotten, I assert that perhaps the largest orders which are received today by the textile mills come from the Army and the Navy, and are subject to the law covering renegotiation of contracts. Millions of dollars of profits made by textile mills have been renegotiated. So if the mills are making such excessive profits, as is contended by some, it is the duty of the renegotiators to renegotiate the contracts, and compel the mills to pay the excess profits into the Treasury of the United States.

Mr. BANKHEAD. I thank the Senator. I think his statement is a very fine contribution to the argument.

Mr. WAGNER. I believe there should be a directive from the War Production Board for the production of so-called low-priced goods.

Mr. BANKHEAD. That was done in some instances, and mills were closed. One mill in Alabama, about which I know, got into difficulties. I helped obtain an order extending the time of sale of the mill, because the War Production Board had assigned it to the production of low-cost materials without increasing the price.

Madam President, I wish to bring the discussion to a conclusion. Before doing so, however, I desire to make some remarks with reference to the subject of inflation. If any Member of the Senate wishes to direct my attention to something, or ask any questions about any phase of the matter, I shall be happy to respond.

Some Senators, in good faith, are inclined to believe the assertion of the O. P. A. that the proposed program would result in inflation. I totally disagree with such assertion. In the first place,

no thoughtful man would talk about a rise in the price of an agricultural commodity to parity as constituting inflation. That was contemplated when the law was enacted. There is involved here no great amount being paid to the producers. It is already counted as being paid to them and allowed in the ceilings, but they do not receive it.

As I have already said, I am sure that no one will deny a struggling group like the cotton farmers the right to receive what the law contemplated they should receive, by denouncing it as a contribution on the part of the farmer to the cost of inflation.

Ever since we entered the war, or fell under its shadow, it has been claimed that a terrible threat of inflation might result from proposed agricultural legislation. It will be remembered that when Congress passed a bill to annul an Executive order taking 5 cents a bushel out of the parity and ceiling price of corn, a great clamor predicting wild inflation was set up by the O. P. A. and other administrative agencies if the President's veto was overridden by Congress.

The O. P. A. and others issued figures which showed a billion and a half dollars inflation unless the sale price of corn was decreased 5 cents a bushel. Someone convinced the President that an increase of 5 cents a bushel would result in inflation, so he vetoed my bill which had been passed by the Senate with only 2 negative votes. It was said to have been done because of the fear of inflation and also because of the fear that John L. Lewis, the head of the miners, who was actively pursuing his application for an increase in the wages of the miners, would be given an excuse, and that it would be embarrassing to the Labor Board not to grant his request for an increase, if this small amount was granted to the corn producers of the country, and ultimately to the wheat producers because wheat was far below parity.

Madam President, some of the ablest men who had voted for the bill to restore 5 cents a bushel to the price of corn became alarmed and told me that they feared the result might be inflation, that the Labor Board might be caused to give John Lewis the increase he desired, and so they could not go along with an effort to override the President's veto. I was forced, as a result of the expressions of many Members of the Senate who had supported the bill, to move to send it back to the Committee on Agriculture and Forestry, whence it came and there it still rests.

What happened? I do not know how the O. P. A. estimators computed the figures which alarmed many persons from the President down both about inflation and about John L. Lewis; but they also said there would be a great inflation if we let the price of wheat go up. There had been no order made as to wheat, but it was supposed one would be made after action had been taken with reference to corn, and wheat was 20 cents below parity. We did not get the bill to the floor, and it rests still in the committee.

What happened? The light of experience always is valuable, especially when dealing with gentlemen who some-

times appear to me to use their imagination in estimating the effect of an increase in prices and costs rather than considering national experience. In a very short time, 2 or 3 months or so, Chester Davis, an able man, was appointed Food Administrator. He came to Washington and found the corn market paralyzed all over the United States, and corn tied up everywhere. The farmers would not submit to the reduction, and so they held the corn for the purpose either of obtaining a better price or using it for feed purposes. In a short time Chester Davis, on his own responsibility, added 5 cents to the price of corn, and very few Members of the Senate or the Congress ever knew he did it. The public certainly never realized that he did it because of any resulting inflationary price rises.

The price of wheat which was also supposed to be threatening inflation as it gradually climbed up from 20 cents below parity to about parity; but nobody noticed it; there was no comment on it; there were no declarations from the O. P. A. to alarm the people, because the price of wheat was climbing to parity, and there were no injurious results.

I submit those two actual experiences should be exceedingly helpful to Senators who are not taking orders, not obeying the O. P. A. or the C. I. O., but searching for the truth. I submit that there could be no better experience and no stronger argument to sustain the position that an increase to parity in the case of cotton would result in no sort of inflation, no sort of increase in the price of goods, and in no wild monetary inflation. I have always thought that the monetary inflation based upon fiat money was the most dangerous of all inflations.

What else did we do? The question of railroad wages came before the Labor Board, as it was constituted at that time, and the Government increased the wages of railroad employees so that they received approximately \$300,000,000 more than they were receiving before the war. If an increase in wages or other similar action would bring about inflation, we did not in that instance hear anything about it in the Senate, or from the O. P. A., or from any other organization of the Government, although the Labor Board argued about it for a while. I do not know whether the President got into it or not; I do not recall; but, anyway, the increase was granted, involving a great increase in the amount of circulating money, and I never heard of any inflationary result that grew out of it.

What happened as to John L. Lewis? He alarmed many people. They were afraid he would get through a wage increase if we left the 5 cents a bushel on corn, and did not reduce the parity and ceiling price on wheat. Finally, after the fear of inflation had prevailed in connection with the item of corn included in the President's veto, John L. Lewis—and I make no criticism of it; I commend him for his loyalty and fidelity to those whom he represented—came out of the controversy with an increase of \$1.50 a day for 600,000 miners in this country, an increase amounting to \$270,000,000.

Before he got that increase it was said it would be inflationary and dangerous. After he got it, and his miners began to receive the increase, to spend it, and to put it into circulation, what became of the prognostications of the calculators who were working on formulas they never made public? What became of them? There was no sign of inflation or change in prices by reason of the miners getting \$270,000,000 more a year than they had been receiving.

What about the Federal employees? All of them, except Members of Congress, and perhaps a small number of the members of the judiciary, received increases in compensation. How much did that amount to? We voted it. I was not afraid of inflation, because I did not swallow the doctrine promulgated by the O. P. A. on that subject. According to the best figures I can obtain—and I have checked with several agencies of the Government—the Federal employees received, not a few hundred thousand dollars, they received an increase of approximately \$1,797,000,000 a year, in the face of the thought of those who are so free to accept the idea of inflation because of increases in public expenditures.

It looks as if it depends a good deal on whose ox is gored about what effect a specific action will have on the public economy. The Federal employees had many friends among us, so we did not become alarmed when they were involved. I wish the farmers had as many friends as the Federal employees have. I have just stated that I voted for those increases, I thought they were right, I was not afraid of the result. But now, with an increase of a paltry fifty or sixty million dollars to the farmers in order to bring them up to parity, there is a general alarm issued and accepted by many strong and able men.

Madam President, since the enactment of the Price Control Act every time an increase of income to farmers has been proposed the O. P. A. officials, metropolitan newspapers, and many radio commentators have begun to chant "Inflation! Inflation! Inflation!" We hear that every time.

Mr. WAGNER. Madam President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WAGNER. I made reference a little while ago to profits, and referred to a statement by Judge Vinson, so I should like to read it into the RECORD at this time, if the Senator will permit me. I read from the record of the hearings:

Mr. VINSON. I have not put any out of business and I do not know of any that have gone out of business. The Senator may have information that they have gone out of business, but my understanding is that they are in a healthier financial position as an industry than probably ever in history; that a sample taken of 118—

Senator TAFT. I do not question that—

Mr. VINSON. I should like to just state my position, Senator.

Senator TAFT. Yes.

Mr. VINSON. A sample taken of 118 cotton-textile manufacturers showed a profit, before taxes, in 1936 to 1939, of \$14,787,000.

Senator BARKLEY. You say before taxes?

Mr. VINSON. Before taxes; before taxes in 1942; my understanding is that 1943 is relatively the same, \$144,903,000.

Now, the same textile profit, after taxes, 1936-39, \$11,219,000; and in 1942, \$46,980,000. In other words, practically 10 times the profit, before taxes, and over 4 times the profit, after taxes.

Mr. BANKHEAD. The Senator has been present listening to my remarks on the subject, he has been fairly liberal about being present, and I am sure he recognizes that I am doing nothing to protect excess profits of any member of the cotton-textile industry. In fact, my whole argument has been based on the idea that they are getting at least sufficient in the way of profit—and I have proved it by the O. P. A.—to enable them to pay the parity price to the farmers. But I have taken the position that where there are excess profits, it is the duty of the O. P. A., which they have not undertaken to perform, to bring the ceilings down to the point where the margin of profit is reasonable and fair, and to take the reduction in those excess profits and use it in order to add to the ceilings of the low-grade cotton, where those ceilings are resulting in failure to produce an adequate supply of goods. When we take the high ridges and fill up the low valleys of those two groups, the fear of inflation will disappear. That is my position. I am not trying to protect anyone except the cotton farmer and the public and the consumers, particularly the poor among the consumers.

Mr. WAGNER. The Senator need not attempt to assure me or any other Senator of his sincerity. We all know of his sincerity in the matter. But I still say that the enactment of the amendment would increase the price of goods to the consumer without any compensating help to the cotton farmer.

Mr. BANKHEAD. In the first place, I do not agree with the Senator in that statement. In the next place, I take the bold and broad position, which I think is just and right, that no regulation of the Federal Government should prevent those engaged in an industry from making at least operating expenses and making a profit. I believe in the profit doctrine.

Mr. WAGNER. So do I.

Mr. BANKHEAD. Very well. If we have to increase the cost to some extent, and if that will result in production of more of the low-grade cotton goods, it will also result in the reduction in the price of those goods, if the O. P. A. will fairly and justly administer such a program. That is my position.

Not only that, Madam President, but I offered an amendment yesterday which meets the suggestion that the O. P. A. cannot reduce prices. I am clear that it can. I know they hold that they cannot reduce the excessive ceilings of some types of cotton goods. I have submitted an amendment providing them with such authority, which I hope they will use.

As I have frequently stated, I seek to do away with excess profits and to increase production, because I am disturbed, as are all the friends of the cotton farmers, over the reduction in the consumption of raw cotton, which results necessarily in addition to the surplus of cotton which some day must find buyers. That surplus is accumulating now with the reduction in consumption at the mills.

It is accumulating every day and every month. That is an alarming situation. If something can be done to increase production of cotton goods, why do we not meet the situation? We have met similar situations with supporting prices. We were not niggardly in providing supporting prices in connection with hogs. We did not say, "Oh, there will be some inflation if we pay support prices to the hog producers." We provided a support price of 13 or 14 cents in the case of hogs, and as a result of that price incentive the farmers increased hog production to such an extent that we could not find sufficient storage for the meat. It increased production to such an extent that great dissatisfaction resulted among the hog growers all over the country, as the O. P. A. did not carry out what the farmers believed was a promise with respect to maintaining prices at the support price.

Mr. MURDOCK. Madam President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MURDOCK. Why can we not adopt the same theory of a support price with respect to cotton?

Mr. BANKHEAD. We have too much cotton now. A very different question is involved. I am talking now on the subject of the expenditure of Government money where it is needed in the interest of the public.

Mr. MURDOCK. My question is in line with that thought. Would the Senator mind answering the question I am about to ask? I do not care whether he does so now or at some other appropriate point in his argument. As I understand his amendment, the mill is guaranteed a profit on each item of its textile production.

Mr. BANKHEAD. Yes; and the O. P. A. fixes the ceiling on each item.

Mr. MURDOCK. I understand that. Ninety percent of the volume of the production must be taken into the picture in arriving at it.

Mr. BANKHEAD. Yes.

Mr. MURDOCK. Am I correct in my assumption that in that 90 percent, of course, there will be some high-cost producers?

Mr. BANKHEAD. Undoubtedly, if the O. P. A. permits them to continue as high-cost producers.

Mr. MURDOCK. But if they are permitted to continue, there will be in the 90 percent some high-cost producers?

Mr. BANKHEAD. Yes.

Mr. MURDOCK. Under the Senator's amendment, based on the 90 percent of production, and a profit on each item, the price must be fixed, must it not, on the basis of the highest-cost producer?

Mr. BANKHEAD. No; of course not.

Mr. MURDOCK. I mean the highest cost producer within the 90 percent volume.

Mr. BANKHEAD. I do not know about that.

Mr. MURDOCK. There cannot be any question about that, can there?

Mr. BANKHEAD. Oh, yes.

Mr. MURDOCK. Assuming that to be true, then we have a great volume of low-cost producers who were already making a profit. If they are raised, un-

der the Senator's amendment, as they must be raised—

Mr. BANKHEAD. Oh, no.

Mr. MURDOCK. To the level of the highest cost producer—

Mr. BANKHEAD. Oh, no.

Mr. MURDOCK. Within the 90 percent volume, then certainly we are raising profits to those low-cost operators to an extent which is unconscionable.

Mr. BANKHEAD. They will not be raised that way unless the O. P. A. permits it.

Mr. MURDOCK. How will they be raised? Let the Senator explain it so we will understand it.

Mr. BANKHEAD. Does the Senator desire everything to remain as it is now, permit the farmers to receive low prices, let goods disappear from the shelves of the merchants, let the scandalously high prices of goods prevail? That is what would happen if the amendment is defeated.

Mr. MURDOCK. I do not want to bring such a situation that the people would be paying higher prices than they are paying today, while the cotton farmer's price would still remain below parity.

Mr. BANKHEAD. If the Senator votes against the amendment he votes to maintain the status quo. If that suits him, very well.

Madam President, there is another amendment which I think should have careful consideration, because it hits at a very vital spot in this very unfortunate situation with reference to cotton. It is admitted, there is no dispute about it, that the excessive prices are not caused by the farmer and are not caused by the cotton mills. They are caused by the middlemen, the converters, the distributors along the line. I do not know whether the O. P. A. fixes any ceiling with respect to them; I do not know what the O. P. A. does about them; but the prices have steadily gone up.

A drastic operation must be performed at that point, in my judgment, if we desire to remedy the situation. For some reason the O. P. A. is disinclined to review the prices charged all along the line, or else they think the prices are fair, and therefore do not wish to review them. The amendment I propose does not make it compulsory on the O. P. A. to do so, because I do not believe compulsory action can be taken with respect to a matter of this kind, but the amendment authorizes the O. P. A. to do so, and in that way points out what Congress wants the O. P. A. to do. It authorizes the O. P. A. to reconsider and review and reduce extravagant and inflationary prices which the converters and others engaged in the distribution of cotton goods have inflicted on this country.

Madam President, I have taken more time than I thought I would. There are several other questions to which I have not adverted, which need attention. I understand my friend, the Senator from Mississippi [Mr. EASTLAND] will refer to the rayon problem.

A man named Seidel, auditor of the W. T. Grant Stores, a chain of two or three hundred retail stores all over the country, went before the Banking and Currency Committee of the House complaining

about the position taken by the O. P. A. on the subject of the highest-price-line limitation. That means that a store is not allowed to sell anything at a price above the price it charged, we will say, in 1942. On its face that appears to be good. But many slick traders have put a little rayon in cotton goods, thereby making a different article from the one sold in 1942, and because of that addition to the cotton goods, which deteriorated rather than strengthened the goods, they were permitted to raise their prices. They could not sell cotton goods at a price 1 cent a pound higher than the price at which they sold them in 1942. But by putting rayon and some other synthetic substitutes in the material, they could hoist the price, and thereby bring about this scandalous situation in the available supply of cotton goods.

Madam President, I am about to bring my remarks to a conclusion. There are a number of other questions which a number of other Senators will discuss. I am sorry we have not had throughout the day the attendance of those Senators who are not informed on the cotton question, some of whom, as has been stated, look at it as a local, sectional problem. But we cannot avoid such things.

In conclusion, I wish to speak in a concise way of what I think the amendment means and what effect it will have if fairly administered by the O. P. A. in accordance with the spirit of the amendment and its purposes and the results it seeks to accomplish.

The adoption of this amendment and its fair administration will stabilize the large cotton industry by taking excess profits out of the ceilings on items on which excess profits are made, and by adding the withdrawn profits to ceilings on low-grade garments on which there is no profit or so little profit that production is shifted from garments which formerly were low-priced to expensive, profitable garments. That will provide increased production for the needed cotton garments and thereby tend to reduce prices; and the quantity of cotton goods on the merchant's shelves will be increased. It will insure the receipt by the farmers of the parity price for their cotton, without increasing the cost of cotton goods to the consumers. It will take the racketeering and the scandalous profits out of present retail prices for the cotton clothes used by the masses of our people. It will help end black-market prices. It will greatly aid poor people, by putting the price of cotton work clothes and ordinary cotton dresses nearer their ability to pay. It will increase the output of the grades of cotton necessary for the production of the cheapest cotton wearing apparel.

The administration of the proposed law would be left in the hands of the Government agencies, principally with the O. P. A. If properly administered, no inflation would result.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment inserting section 201.

Mr. MURDOCK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Radcliffe
Austin	Green	Reed
Ball	Guffey	Revercomb
Bankhead	Gurney	Reynolds
Barkley	Hatch	Robertson
Bilbo	Hawkes	Russell
Brewster	Hayden	Shipstead
Bridges	Hill	Stewart
Buck	Holman	Taft
Burton	Jackson	Thomas, Idaho
Bushfield	Johnson, Colo.	Thomas, Okla.
Butler	Kilgore	Thomas, Utah
Byrd	La Follette	Tobey
Capper	Lucas	Truman
Caraway	McClellan	Tunnell
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Moore	Wheeler
Eastland	Murdoch	Wherry
Ellender	Murray	White
Ferguson	Nye	Wiley
George	O'Daniel	Willis
Gerry	Overton	Wilson

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Eighty-one Senators having answered to their names, a quorum is present.

Mr. EASTLAND. Mr. President, the controversy here arises in connection with the effort to secure a greater production of textile items for the war effort of the United States, and to secure that which the Congress of the United States has obligated itself by legislation to secure for the man who grows cotton for his livelihood, namely, a parity price.

This amendment has been blackened. Those who sponsor it have been the object of a smear campaign based upon the contention that the purpose is to grab additional profits from the war effort of this country. Nothing could be further from the facts. It is a sincere effort to increase the production of textiles.

The War Production Board states that textile production for the year 1944 will be 2,000,000,000 yards short of the dire war needs of America. Hon. Donald Nelson, head of the War Production Board, states that unless textile production is increased to the level of 1942 the result in our country will equal that of a major military defeat. Today in Charlotte, N. C., there is meeting a conference of the Governors of the textile-producing States, called by the War Production Board in an attempt to secure an increased production of textiles.

What is the history of the industry? Two years ago, roughly, textile ceilings were imposed. Those ceilings have remained on practically the same level during that 2-year period, there having been an increase of only roughly four-tenths of 1 percent, which I am informed is less than the increase granted to any other major American industry. All costs of production of the mills have greatly increased. Their labor costs have been increased. The prices of coal, starch, and oil have increased; and because of the labor turn-over, because many of their skilled workers have left the textile industry for the armed forces, or have gone into shipyards and other war industries,

there is a 30-percent increase in the per unit labor cost of textile production.

As a result of constantly rising costs, many textile products which, during the entire history of the textile industry, have been produced at only a small margin of profit, have disappeared from the market. The mills manufacturing such goods today operate at a loss, or merely break even, while other textile ceilings are highly inflationary, and there is a tremendous margin of profit to the manufacturer in the prices of such items.

As a result of that condition the textile industry has done exactly what everyone admits is the natural thing for textile mills to do. They have ceased the production of items on which they would lose money or merely break even, because of the price ceilings, and have concentrated on the production of items in which there are high profits. In some cases such goods, cheap goods have been produced in obedience to directives from the War Production Board. However, the attempt to secure the production of goods by such methods has largely failed, because the textile mills have used their best skilled labor to manufacture goods on which there is a tremendous profit under the present price ceilings.

Everyone admits that that condition exists. As a result, there is a shortage of work clothes. There is a shortage of staple textile articles. There is a shortage of low-priced clothing for the lower-income groups.

What we seek to do through the amendment is to equalize the condition to which I have referred in order to resume the production of low-priced items. Under the amendment the O. P. A. would lower the price ceilings on goods manufactured by the cotton mills on which there are tremendous profits, and increase the ceilings on cheap staple goods which the mills are no longer making. The result will be an incentive to the mills to return to the production of cheap goods.

Mr. President, today a workingman cannot buy a 95-cent work shirt, or a blue work shirt. He must buy a dress shirt if he wishes a shirt in which to work. This amendment is designed to encourage a return to the manufacturer of cheap clothes by insuring to the mills a proper margin of profit.

How would cotton be affected? When a cotton textile ceiling has been established, as a result of which the mills lose money, naturally the mills will cut their losses by the purchase of raw material as cheaply as possible. Such a procedure depresses the cotton market. Representatives of the cotton mills have frankly stated that they have been forced to depress the cotton market in order to meet their constantly rising costs in certain items. However, it must be borne in mind that when part of the cotton crop is sold at cheap prices those prices set the price for the entire crop. That is an economic law which has governed the markets of this country for many years.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. EASTLAND. I am glad to yield.

Mr. AUSTIN. I should like to ask the distinguished Senator from Mississippi whether the hearings disclosed clearly what was involved in the manufacture of textiles from cotton which resulted in an increase in cost to the extent that the mill could not afford to continue manufacture? I have listened attentively to the several explanations which have been made, and I am curious to know, in view of the answer of the distinguished Senator from Alabama that it was not the wage scale of labor, whether the condition to which I refer exists in the cotton mills. I have found that it exists in war industries with respect to costs. The turn-over is so constant that the employers have had to keep men in line, ready to be trained and made skillful in order to take the place of the men who quit, either because they have been inducted into the armed forces or because they wish to go somewhere else. That condition obtains in the industries producing munitions to such a degree that, according to the testimony, an average of five men must be employed and kept standing by in order to take care of the turn-over of one man. Does that situation exist in the cotton mills?

Mr. EASTLAND. The labor turn-over in the textile industry is very great, due to the fact that it is normally a cheap-wage industry. The cotton mills cannot stand the competition of the shipyards and war industries. Textile labor has received wage increases ranging from 30-some cents an hour to approximately 57 cents an hour. The cost per item in labor has increased approximately 30 percent because of the labor turn-over, and because the mills must train inexperienced labor. Those factors have increased the mills' labor cost 30 percent within the past 2 years, and 58 percent since 1939.

Mr. AUSTIN. Mr. President, will the Senator further yield to me?

Mr. EASTLAND. I yield.

Mr. AUSTIN. I have obtained the impression that the Senator answered my question in the affirmative. Did the evidence before the committee tend to show that a supply of labor was paid for, though not working, in order that it might be trained and be on hand to take care of the turn-over?

Mr. EASTLAND. No; the hearings did not show that, as I recall. They showed that the increase in cost has been 30 percent due to the labor turn-over.

Mr. AUSTIN. I thank the Senator.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MURDOCK. I have followed the Senator's remarks. I understood him to say that the cotton-textile industry does not compete with war plants and other high-priced-labor industry.

Mr. EASTLAND. No; I said that that had been true, and for that reason there was a great labor turn-over. Since wage increases have been granted, frankly, I do not know what the effect has been. I do not know whether the competition

exists today. Of course, the cotton industry could not compete on a basis of 35 or 36 cents an hour.

Mr. MURDOCK. The Senator was referring to the past rather than the present.

Mr. EASTLAND. Under certain ceilings the mills are today losing money, and that is what we are attempting to remedy.

Mr. MURDOCK. That is the point I have in mind. If the profits of the mill were stimulated by this amendment, could we not in turn expect an increase in the labor wage schedules?

Mr. EASTLAND. The profits of the mills would not be stimulated by this amendment. To answer the Senator's question it is only necessary to turn to the Textile Accounting Section of the O. P. A.

Mr. MURDOCK. I remember one witness who appeared before the committee and testified that recently, within a period of only a few months, the textile industry lost 50,000 men. I believe the O. P. A. attributes the decrease in the consumption of cotton at the mills to a decrease in manpower rather than to anything else. They have stressed that factor as being the most important.

Mr. EASTLAND. One reason for the decrease in textile production is labor shortage in the textile industry. It is also certain that production is down because of the price-ceiling situation. Before I am through I will refer to the men who I believe are responsible for the situation, and I will put their names in the RECORD.

Mr. MURDOCK. Will the Senator yield for one further question?

Mr. EASTLAND. I yield.

Mr. MURDOCK. If I take the Senator at his word—and I do—that there would be no increase in the profits of the operators of the mills under this amendment, how would the mills obtain the necessary labor in order to increase the consumption of cotton at the mills?

Mr. EASTLAND. There is pending today a suit for another wage increase. If the increase is granted all ceilings will have to go up. That is a bridge which we must cross when we reach it. The hearings before the committee have certainly shown—and the textile industry has also shown—that if the price ceiling situation is cleared up and this amendment is adopted, there will be an increase in textile production which is badly needed in the war effort.

Mr. MURDOCK. That might be, but I cannot see how by increasing the profits of the mills the necessary labor can be attracted without offering them higher wages.

Mr. EASTLAND. Mr. President, why is not cotton at parity? Here is an official statement prepared by the O. P. A. which lists under each of 11 price ceilings the price at which raw cotton has been computed. I ask that it be placed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

Cotton costs by grade and staple in Office of Price Administration cotton textile schedules and equivalent parity prices, landed mill points, March 1944

Grade and staple	Group B mills									New England	
	7 Col. A	7 Col. B	33	35 and 118	GMPR	89-S-128	89-S-140	Vinson formula ¹	Parity landed ²	11	Parity landed ²
Strict Middling:											
1 ¹ / ₁₆ -inch	Cents 22.95	Cents 23.75	Cents	Cents	Cents 24.15	Cents	Cents	Cents 24.72	Cents 25.13	Cents	Cents
1 ³ / ₃₂ -inch	23.70	24.64			25.05			25.97	27.04		
1 ¹ / ₂ -inch	24.95	26.12			26.80			28.47	29.53		
1 ³ / ₁₆ -inch	26.45	28.37			28.80			30.97	32.09		
1 ³ / ₈ -inch	28.30	30.37			30.55			32.47	33.45		
Middling:											
1 ¹ / ₁₆ -inch			23.12	21.67	21.45			22.12	23.38	20.37	23.63
1-inch			23.49	21.97	21.80			22.57	23.65		
1 ³ / ₃₂ -inch				22.17	22.30	22.58	21.45	22.97	24.11	22.62	24.36
1 ¹ / ₂ -inch			24.35	22.47	23.30			24.02	24.45	23.15	24.70
1 ³ / ₁₆ -inch					24.05			25.12	26.12	23.80	26.37
1 ¹ / ₂ -inch					25.80			27.22	28.33	25.37	28.58
1 ³ / ₃₂ -inch					27.55			29.47	30.61	27.37	30.86
1 ¹ / ₂ -inch					29.30			31.22	32.25	29.37	32.50
Strict Low Middling:											
1 ¹ / ₁₆ -inch				21.12	20.25			20.97	21.99		
1-inch				21.47	20.70			21.37	22.25		
1 ³ / ₃₂ -inch				21.67	21.05			21.57	22.45		
1 ¹ / ₂ -inch				21.97	21.55			22.27	22.76		
Low Middling: 1-inch				20.35				19.06	19.54		
Strict Good Ordinary: 1-inch				19.75				17.68	18.16		
Good Ordinary: 1-inch				19.09				17.67	17.14		

¹ "Vinson formula" calculated on basis of market price Mar. 17, 1944.

² Parity prices landed group B mill points, computed as follows (Middling 1 inch):

Parity for February 1944 as reported by Bureau of Agricultural Economics (parity on average of all cotton at all locations).....Cents 21.08
5-year average spread between "at the farm price" and Middling 1¹/₁₆ Memphis.....+ .60

Parity at Memphis on Middling 1¹/₁₆.....21.68

Premium for grade and staple (computed by War Food Administration from actual 10 spot-market grade and staple differentials during current marketing season, Aug. 1, 1943, to Feb. 15, 1944).....+ .27

Parity Middling 1 inch at Memphis.....21.95

Delivery cost, Memphis to group B mill points (see attached table).....1.70

Parity Middling 1 inch landed group B mill points.....23.65

NOTE. Equivalent parity prices would be 45 points higher if parity price was assumed to represent Middling 7¹/₁₆-inch at an average location. This is the procedure specified in legislation for determining Commodity Credit Corporation loan rates.

Mr. EASTLAND. That statement shows that, instead of obeying the mandate of the law O. P. A. has figured in textile ceilings the price of cotton at from \$5 to \$15 a bale below parity, and, in addition, it has figured cotton in some of those ceilings below the current market value.

It may be asked how would this amendment help the cotton grower. Why is cotton below parity? The price over a period of months at which cotton is figured in the textile ceiling will control the price of the commodity. The price at which any commodity is figured in any price ceiling affecting such commodity will over a period of time control the price of the commodity. In other words, no farm commodity, for any length of time, can go above the price at which it is computed by O. P. A. in the ceiling on the processed article of which it may be a part. There might be a scarcity, a short crop, war news, or a local condition which temporarily would throw the farm commodity out of line, but over a period of time the price at which the commodity is figured in the price ceiling will control.

In the case of the textile ceiling the price of cotton is first computed. Then there is computed the conversion cost, the manufacturing cost, and then a reasonable profit is set aside for the manufacturer. When cotton gets above the price at which it is figured in the ceiling, then the mill is forced to take a part of the profit that has been computed to it in the ceiling in order to pay the increased price for cotton, and if the price of cotton should rise high enough it would take all the profit to

which, of course, a textile mill would not submit. But in this instance it has not been cotton prices, it has been an increase in the cost of all other items of doing business, pressing against the ceiling that has forced the cotton mills to depress the cotton market on goods manufactured in order to meet their increased costs. The mills that are losing money are forced to depress the cotton market in order to decrease their losses. As the result, cotton bought by the mills under those ceilings fixes the price of the whole crop, because the low price fixes and controls the whole price.

So we propose to require O. P. A., first to remove that shackle, and in its price ceilings to compute cotton at a parity price. If, after a 60-day period, the market is not at parity, then the escalator clause goes down; manufacturing costs and profits are built on the price of the raw cotton, the escalator provision, and if cotton does not go to parity the price of the manufactured article goes down, in proportion to the amount cotton is below parity, and the mill is thereby prevented from making exorbitant profits. The amendment would remove the cause that has kept cotton below parity, and, in addition, by the escalator clause going up as cotton goes up it raises the price of the ceiling until cotton gets to the parity level. So there is an incentive, an inducement to cotton mills to pay a parity price for cotton.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Since it is the desire of the Senator to have cotton sold at parity, why is it that the parity price is

not figured throughout and the 60-day period, wherein the market price is to be used rather than the parity price, forgotten?

Mr. EASTLAND. Will the Senator repeat his question, please. I do not know that I understand it.

Mr. ELLENDER. Under the amendment, as I understand it, for a period of 60 days the price of raw cotton must be figured at parity.

Mr. EASTLAND. That is correct.

Mr. ELLENDER. Thereafter, the market price is used. The question is, Why not leave the parity price out, and forget the 60-day period?

Mr. BANKHEAD. That is the escalator clause.

Mr. ELLENDER. Yes; the escalator clause.

Mr. EASTLAND. As a matter of fact, we believe that, if this amendment is adopted, after the 60-day period cotton will be at parity, but, if it is not, then the escalator clause goes down, it decreases the mill's ceiling prices and prevents the mills from making exorbitant profits. The escalator clause is designed to protect the consumer.

Mr. ELLENDER. Why take that chance, if one of the main reasons is to have cotton sell at parity?

Mr. EASTLAND. It will be necessary to work it out and adjust the costs and the price ceiling. If we say that cotton had to sell at parity—

Mr. ELLENDER. That is what it is sought to do, as I understand.

Mr. EASTLAND. Not as a matter of law. I do not think we could say that; I do not think we could get by with it.

Mr. ELLENDER. It is proposed to get by with it for 60 days.

Mr. EASTLAND. As a matter of fact, if this amendment is adopted, cotton will go to parity and stay at parity, and there will be an increase in the consumption of cotton. More textiles will be produced which will help the farmers and the consumers of the country. I will say it is just as much to the farmers' interest to have cotton ground up by the mills, spun into cloth, manufactured into clothes, and worn out by the public so that he can grow more cotton, as it is that he secure a very high price. In fact a great surplus of spinnable cotton depresses the price, and by increasing the production of textiles and the consumption of cotton we help raise cotton prices to parity. We materially help the farmer.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MURDOCK. While the Senator is on this point will he define what is meant by "beginning of the period."

Mr. EASTLAND. The Senator well knows that the distinguished Senator from Alabama will have an amendment tomorrow—

Mr. MURDOCK. No; I do not know that.

Mr. EASTLAND. I will state to the Senator that the distinguished Senator from Alabama will have an amendment tomorrow defining that point. What the amendment will contain I do not know.

Mr. BANKHEAD. If it causes the Senator from Utah any pain, I shall be glad to tell him.

Mr. MURDOCK. I am not in any pain. I think if there is any pain it might be on the other side. I am merely asking a simple question, and, in my opinion, I am entitled to the courtesy of a simple answer. The language is that of the Senator from Alabama; it is not mine; and I have asked what "beginning of the period" means. If it means the first day of the 60-day period it would be a simple thing, it seems to me, for the mills and the buyers of cotton on that day to be bidding and buying cotton at parity.

Mr. EASTLAND. What is meant is the average price for the last 30 days, and such an amendment will be offered tomorrow.

Mr. MURDOCK. Then, at least I have accomplished something by my question in having it determined that the amendment itself shall define what that means. In my opinion, it is a very important point. I am not, however, in any pain, as the Senators must know.

Mr. EASTLAND. Mr. President, why is not the farmer entitled to the parity price? Why is not he entitled to have cotton figured at parity by O. P. A. in the price ceilings? It is the policy of this Government that that be done. What can be the objection in computing cotton at a parity price in textile price ceilings? Cotton cannot go to parity until this is done.

There is a third reason why this amendment will put cotton to parity. O. P. A. says that the cheap price of

cotton today is due to a surplus of 10,000,000 bales of cotton. Yet of that 10,000,000 bales surplus, only 3,000,000 bales are free cotton; the rest is under loan or is owned by the Government, and as there is a great demand for textile goods, the mills, in my judgment, bidding for this free cotton, will speedily bid cotton up to parity, when we have removed the log jam, when we have equalized the price ceilings so as to secure full production, the mills by competing for this short supply of good spinnable cotton will bid the cotton market up to the parity level.

Because of the ceiling situation today, when we are in dire need of textiles, when the War Production Board says it is one of the great war needs of America, we have 700,000 idle cotton spindles in America.

O. P. A. says—and it rests its whole case on this defense—that the over-all profit figure of the mills is sufficient to enable the mills to pay a parity price to the cotton grower, and that the profit figure of the mills, over-all—that is, a mill which makes, using a hypothetical case, seven textile items will probably lose money on three or four but make tremendous profits on the others—that that over-all profit is great enough to permit the mills to pay the increased cost of operation, to pay parity for cotton, to produce textiles, and to make large sums of money.

First, I shall dispute the accuracy of those figures in a few minutes; but if O. P. A.'s contention is accurate, then the pending amendment—taking their word for it—will not cost the consumers of the United States one thin dime, it will not cost them one thing, because if we pull down the price ceilings which are inflationary and increase the price ceilings on which a cotton mill is today losing money, we get production of textiles; the mills, to decrease their losses, will not be forced to depress the cotton market; and we equalize the price ceilings. By decreasing some of the ceilings we get the money to pay for increased prices in other ceilings without additional costs to the consumer.

The present system, the over-all system, discourages production, for several reasons. First, again using a hypothetical case, 90 percent of the production of a cotton mill will be directed to the production of a textile item on which the mill is on the border line, or on which it is losing money, and 10 percent will be on a highly profitable item. In that situation many of the mills have shut down. There are other cases of textile mills which will manufacture three items on which there are great profits and manufacture three other items on which they lose money. Yet, the over-all profits are good.

What happens in a case like that? The mill concentrates not on producing items on which it is losing money but it concentrates on the production of high-priced items on which there is a tremendous profit. As a result, the production of the cheap items, the staple items, has greatly decreased, and cheap goods, work clothes, have practically left the shelves of the merchants.

Mr. President, on that subject I shall read excerpts from a letter from a prominent wholesale dry-goods merchant of my State, the Whittington Drygoods Co. Mr. Curtis C. Whittington, who owns this concern, is a brother of Representative W. M. WHITTINGTON, from my State. He is a man who knows the textile business in all its details. Listen to this. I quote him:

Cotton mills simply ceased manufacturing nonprofit goods, with the result ordinary, everyday household, staple, home-sewing cotton goods have disappeared from the market. The recent Vinson survey revealed that staple articles made of cotton, such as work shirts, athletic shorts, dress shirts, print dresses, when available, are being sold at black-market prices. To remedy this situation it will be necessary for O. P. A. authorities to face the facts and understand certain price schedules are altogether inequitable. Prompt adjustment should be made, and the O. P. A. should abandon the over-all price-profit theory.

Mr. President, the dispute here is over the over-all price-profit theory. Let us equalize the ceilings as the textile industry, the cotton grower, and the men who know this business in all its details desire. Mr. Whittington says:

Prompt adjustment should be made, and the O. P. A. should abandon the over-all price-profit theory, and permit each item to carry its own burden of cost and profit. To continue price control on any other basis results in nothing but profit control.

Mr. AUSTIN. Mr. President, will the Senator yield at that point for another question?

Mr. EASTLAND. I yield.

Mr. AUSTIN. The comment just read causes me to ask this question: How does the Senator account for the projected effect of raising the price ceilings, or permitting them by law to be raised, upon only the price of the raw cotton? In other words, is not the Senator overlooking the probability that raising these ceilings would not only affect the price of raw cotton but would also affect the other costs in the manufacture, that is, labor and all the items entering into the business of making cotton textiles? Would they not be as much stimulated by taking the ceiling off as the price of the raw cotton would be?

Mr. EASTLAND. I do not think so. The increases in labor and in all other items are there. It is a condition we have to face, and because the prices have increased, the mills are losing money, are making no profit, under textile ceilings, and to meet the increased costs they have to depress the cotton market.

Mr. AUSTIN. This is a natural question, is it not? If the cost of the denim shirt which the textile worker wears is raised, will he not be coming around and saying, "You see, I pay more for my shirt; I must have my wages raised"?

Mr. EASTLAND. He has no shirt, he has no overalls, he has no work clothes.

Mr. AUSTIN. Then he has a still greater cause, has he not, for saying, "I must have fair wages, because I was not able to buy shirts and overalls, but now I can get them and I must have them. My old ones are worn out. I must have higher wages"?

Mr. EASTLAND. The pending amendment meets that situation, because today he is buying high-priced goods because cheap goods are not available.

Mr. AUSTIN. That is a good answer; that is a real answer.

Mr. EASTLAND. The amendment is designed to meet that situation.

Mr. AUSTIN. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Is it not true, however, that the ceilings on these low-priced goods will have to be raised?

Mr. EASTLAND. Some, yes.

Mr. ELLENDER. Quite a bit?

Mr. EASTLAND. They will have to be raised some; yes. But the point is that no goods are being manufactured under the present ceilings today, and no one benefits.

Mr. ELLENDER. As I understood the Senator from Alabama [Mr. BANKHEAD]—I am sorry I did not hear all he had to say because I was very busy holding hearings on another bill—the amendment, if it shall be adopted, will nowise raise the cost of the cloth?

Mr. BANKHEAD. I did not make that statement, Mr. President.

Mr. ELLENDER. I understood it that way. The Senator from Mississippi has told me on several occasions that it would not cost the consumer an extra dime.

Mr. EASTLAND. Well, over-all it will not.

Mr. ELLENDER. Over-all. The high-priced goods will be bought by those who have enough money to pay for them.

Mr. EASTLAND. I will answer the Senator at this moment on that point. There is cheap cloth which is today manufactured in the textile industry. We propose that the ceilings which are too high be reduced.

Mr. ELLENDER. That will not be done by the provisions of the amendment now before the Senate?

Mr. EASTLAND. I will give the Senator an illustration. There are ceilings, 127 and 128, which are the converter ceilings. The converter is a kind of broker. He buys the unfinished cloth and bleaches it, prints it, dyes it, or styles it. Under his ceiling his profits are so inflationary, are so out of line, are so unreasonable compared with his earnings in the base period that the Textile Accounting Division of O. P. A. says \$100,000,000 a year can be saved for the consumers of this country on those two ceilings alone.

Mr. ELLENDER. The amendment we are now discussing does not in any manner affect the manufacture of silk apparel, does it; shirts, and so forth?

Mr. EASTLAND. No.

Mr. ELLENDER. Only the goods are affected.

Mr. EASTLAND. It will hit the converter.

Mr. ELLENDER. I understand, but I judge from the argument so far made by the distinguished Senator from Mississippi that in order to obtain this production it will be necessary to raise the ceilings on the cheaper goods, and I fear to a greater extent than the distinguished Senator thinks.

Mr. EASTLAND. Of course, they have to be raised somewhat in order to obtain production. That is the mill level. At the same time \$100,000,000 can be saved at the converter level when the goods leave the mill.

Mr. ELLENDER. Whom would it benefit?

Mr. EASTLAND. If O. P. A. does its duty, it will benefit the consumers and workers of the country.

Mr. ELLENDER. It does not benefit the poor man who must buy overalls and shirts.

Mr. EASTLAND. Why not?

Mr. ELLENDER. Because under the Senator's argument the price of the cheaper materials must be raised.

Mr. EASTLAND. Yes; but the poor man cannot buy overalls and blue shirts today, because the mills are not making them.

Mr. ELLENDER. No; but the Senator is making it possible to buy at a much higher price.

Mr. EASTLAND. We are making it possible for the poor man to buy work clothes at a cheaper price than he is buying them today, because now he must buy higher-priced clothes than the work clothes and the overalls will cost if the amendment is adopted.

Mr. President, I wish to read from the American Federation of Labor Weekly News Service under date of May 30, 1944:

Vinson admitted that O. P. A. regulations permitted manufacturers to up-grade cloth and hike their prices. He said the War Production Board will shortly issue regulations requiring manufacturers to produce cloth for overalls and other work clothes.

That has been tried before. But directives to that effect have utterly failed unless the mills were put upon a profitable basis. As the distinguished Senator from Alabama said, such a directive closed a cotton mill in his State. But the cry of "inflation" cannot be laid at the door of the farmer or at the door of the cotton mills.

Senators, listen to this from the American Federation of Labor Weekly News Service:

WASHINGTON, D. C.—Action to curb the rapacity of clothing manufacturers and dealers was promised by Fred M. Vinson, Economic Stabilization Director, while testifying before the House Banking Committee.

Simultaneously the Department of Labor, reporting an increase in living costs in April, devoted several paragraphs to the soaring cost of wearing apparel, especially of cheaper grades.

Increases which came after the product had left the cotton mill.

Some stores have boosted prices more than 100 percent on certain kinds of clothing, the Department said. Women's cotton house dresses and other garments made of cotton have borne the brunt of the gouge.

Those are increases, Mr. President, which should not be charged to the cotton mill or to the cotton producer.

Mr. President, the statement has been made by O. P. A. that this amendment will increase the textile income \$150,000,000, and that that \$150,000,000, when pyramided by subsequent manufacturers and handlers will amount to \$350,000,000 when it reaches the consumer level. First, that statement was repudiated by the

head of the Textile Accounting Division of O. P. A., the man who had strict authority in the premises. A man named Caplan, who is not an accountant, and had no authority in the premises, was called to make such an estimate, an estimate which was made in my judgment for propaganda purposes to level the cry of inflation against this amendment and to arouse the consumers of the country against it. The head of the Accounting Division of O. P. A. has been loaned to the distinguished senior Senator from Alabama and me as an adviser in this controversy. He was loaned by Mr. Bowles and Mr. Brownlee. Let me say that Mr. Bowles and Mr. Brownlee have been more than fair with us in the discussions. I think they are good men. I think they are sincere. But I am going to show in a moment that the decline in textile production is not due to them, but is due to their advisers, men on whom they have to lean in the department. They are good businessmen, but they know utterly nothing about the textile business.

Mr. MAYBANK. Mr. President—

The PRESIDING OFFICER [Mr. McFARLAND in the chair]. Does the Senator from Mississippi yield to the Senator from South Carolina?

Mr. EASTLAND. I yield.

Mr. MAYBANK. In the discussion between the distinguished Senator from Mississippi and the distinguished Senator from Alabama the question came up of the increase of cost of what might be termed cheaper goods. As I understand there are practically no cheaper goods on the market today. Am I correct in that belief?

Mr. EASTLAND. That is correct.

Mr. MAYBANK. In other words, if you increase minus something by minus something you still do not have any increase.

Mr. EASTLAND. That is correct.

Mr. MAYBANK. And insofar as concerns overalls and work shirts and clothes necessary for war workers today, they are absent from the store shelves in the principal localities.

Mr. EASTLAND. That is correct.

Mr. MAYBANK. Therefore the people who today are working in the war industries and war factories necessarily must buy a better grade of clothing.

Mr. EASTLAND. That is correct.

Mr. MAYBANK. So they themselves are the purchasers of what might be termed high-priced goods today?

Mr. EASTLAND. That is correct.

Mr. MAYBANK. The distinguished Senator from Mississippi said that the amendment might affect wages. If I am correct, the distinguished Senator from Alabama today stated that there had been some small increase in wages since 1942 to textile workers, and that there is now pending another increase in wages. That is now up to the War Labor Board, is it not?

Mr. EASTLAND. Yes.

Mr. MAYBANK. The Senator from Mississippi will agree, will he not, that the wages of the textile workers have been raised less than those of other workers?

Mr. EASTLAND. The Senator means they have been raised less than those of other workers in manufacturing industries; does he not?

Mr. MAYBANK. Yes.

Mr. EASTLAND. That is correct. But today their income is roughly 57 cents an hour, as against a cotton farmer's income of 20 cents an hour. Of course, I do not want to have any controversy with the textile workers. I want them to receive every nickel they are entitled to. I certainly want them to have a wage scale high enough to induce them to go into the factories and produce clothing for the American people.

Mr. MAYBANK. If the Senator will further yield for an observation, let me say that I did not intend to compare the average income of the textile workers with the income of the cotton farmers.

Mr. EASTLAND. I understand.

Mr. MAYBANK. Because it has been shown that the cotton farmers are the only class of Americans who, since the war commenced, have consistently received for the commodity they produce a price below the cost of production of that commodity. The increase which we say is desirable for the cotton farmers to receive is needed by them and is deserved by them more than by any other class of farmers in America.

Mr. RADCLIFFE. Mr. President, will the Senator from Mississippi yield to me?

Mr. EASTLAND. I yield.

Mr. RADCLIFFE. I understood the Senator to say he has a very high opinion of Mr. Bowles and of Mr. Brownlee. I certainly have.

Mr. EASTLAND. I do, too.

Mr. RADCLIFFE. And I understood him to say, although he was not very explicit, that he thinks the reason why matters have not worked out the way they should have is because their textile advisers have not given them sufficient good advice.

Mr. EASTLAND. I have stated, and I state it again, that both those gentlemen say they know nothing about the cotton business; and I know they rely on the judgment of certain individuals there, whom I intend to discuss in a few minutes.

Mr. RADCLIFFE. I do not know who their advisers in this matter are, and I certainly would not attempt to express any opinion as to their ability or as to the character or value of the advice they have given Mr. Bowles.

Mr. EASTLAND. I think they are entirely sincere.

Mr. RADCLIFFE. The Senator has suggested a method—the Bankhead amendment—by which he thinks the price paid to the producers of cotton would be increased. Certainly the method proposed is not a direct one. It is a very indirect one; it is quite an involved one.

Mr. EASTLAND. I do not agree with the Senator.

Mr. RADCLIFFE. By the proposed method, the price of cotton would not be directly increased. The proposal contemplates the so-called escalator system by which the selling price of the manu-

facturer's commodity would be increased or decreased from time to time.

Mr. EASTLAND. That would protect the consumer.

Mr. RADCLIFFE. But if the price received by the producer of the cotton is increased under the operations of this amendment, it will be done indirectly; because there is nothing in the amendment which would directly increase the price of cotton. The Senator hopes it will be increased under the proposed plan.

Mr. EASTLAND. Of course, the 95 percent loan provision will increase it. That is all a part of the picture.

Mr. RADCLIFFE. This thought enters my mind: If, under the present law, the Administrator has not been able to do what the Senator thinks he should have done, because his advisers have not kept him properly and adequately advised or because they have been mistaken, is not the Senator apprehensive that under the very involved and complicated system which would be set up under the Bankhead amendment there would be imperfections or difficulties in administration, and that the desirable results which the Senator pictures as due to come about would not necessarily follow?

Mr. EASTLAND. No; I am not. The formula is one which a child could follow.

Mr. RADCLIFFE. Certainly it is an intricate and a complicated formula, and would only indirectly cause the result generally desired.

Mr. EASTLAND. I disagree with the Senator.

Mr. RADCLIFFE. The Senator stated just a moment ago that he thought the formula carried out through various steps would increase the price received by the producers of cotton.

Mr. EASTLAND. I do think so.

Mr. RADCLIFFE. And yet the Senator has stated that there is nothing in the amendment which would directly do that. The Senator must think, therefore, that the result could come about only indirectly through activities in various stages.

Mr. EASTLAND. The result which will come about will be that the price of cotton will go to the parity price.

Mr. RADCLIFFE. The Senator hopes that will occur.

Mr. EASTLAND. No; I know it will occur.

Mr. RADCLIFFE. How does the Senator know that?

Mr. EASTLAND. I discussed that at great length earlier in my remarks. I am sorry the Senator was not then in the Chamber.

Mr. RADCLIFFE. I think I was here all the time the Senator was talking. I am indeed sorry if I missed that or any other part of his remarks.

I will not trespass further on the Senator's time, except for one brief observation, and then I will no longer trouble him. I do not see, personally, how the Senator can count on increasing the price of cotton, except by the indirect method which I understood the Senator to say a little while ago would be the situation under the amendment.

Mr. EASTLAND. But it is a part of the plan.

Mr. RADCLIFFE. Yes; but the indirect method is an essential part of the Senator's plan, and is the keystone, so far as the producer is concerned.

Mr. EASTLAND. That is correct.

Mr. RADCLIFFE. The point I wish to make, and then I shall not trespass any further on the Senator's time by trying to amplify my point, is that under this involved and somewhat intricate amendment, which certainly has several stages by which all its program is to be worked out, it is hoped that certain results will be secured. I desire to suggest to the Senator that if imperfections have occurred under the existing law, it is probable that other imperfections will occur under the proposed new law, which certainly has not the advantages of greater simplicity in plan. I assume that any imperfections under the existing law are imperfections in administration; because otherwise the Administrator could have done and would have done what the Senator thinks he should have done. If those imperfections have existed in connection with the law, which has thus far existed, is not the Senator somewhat apprehensive that if the new plan is put into operation, still other imperfections in administration will occur?

Mr. EASTLAND. As I stated to the Senator from Maryland, in the amendment we set up a formula which a child could follow. If those men in good faith will administer the act, there will be no difficulty. But I have stated further that the more contact I have with the O. P. A., in representing the farmers, the more I think agriculture has received a very raw deal.

Mr. RADCLIFFE. If the Senator believes the plan has not worked—

Mr. EASTLAND. Let me give the distinguished Senator from Maryland an illustration of what happens. A man who grows watermelons for a living takes all the risk, works from morning until night, and under the price ceiling was allowed a cent and a quarter a pound. Yet the wholesaler, just a commission man, was allowed a cent and a half a pound. He was actually allowed more than the grower. That is the kind of treatment agriculture is receiving, and that is the kind of treatment we are attempting to obviate, by the amendment, for the biggest business in America and, in fact, the biggest business in the world.

Mr. RADCLIFFE. When the Senator gave the watermelon illustration a moment ago I was mindful of the fact that I was born a farmer and have been a farmer all my life. I know a little, at least, about farming, and I am deeply sympathetic with the farmer in his continuing grave difficulties.

Mr. EASTLAND. The Senator has been very successful in all endeavors in his life.

Mr. RADCLIFFE. I am sorry to say my record does not measure up to the kindly and generous estimate of the Senator from Mississippi.

Mr. EASTLAND. Oh, I think it does.

Mr. RADCLIFFE. But I should like to leave the Senator with this thought: He has expressed hopes that the new plan will work in a way in which the old plan has not worked. I must say I cannot share his optimism.

Mr. EASTLAND. But under the Bankhead amendment there would be no discretion to be exercised.

Mr. RADCLIFFE. Possibly it might be said that there was no room for discretion before. Under existing law, according to the Senator's idea, so far as I understand it, there is ample opportunity to have the situation properly handled. However, the Senator said this result has not been secured, and he has given his reasons for making that statement. The Senator has also said the Administrator did not know about cotton. However, the Administrator will not know much more about it under the new plan than he did under the old one. He will have to rely largely upon advisers. If the persons upon whom he has relied in the past, or new ones, do not give him enough sound advice under the new plan, he will not do any better under it than he did under the plan which was used in the past. I must say I do not share the Senator's optimism about the new plan as being a method by which the cotton producer is sure to be benefited.

Mr. EASTLAND. The Senator's idea is that if the farmer has been mistreated under the old plan, Congress should not attempt to alleviate or to better his condition, merely because the same men in the agency might do it again.

Mr. RADCLIFFE. Mr. President, will the Senator permit me to reply? The Senator is mistaken. What he has just said was his own language; it was not mine. I never intentionally gave expression to any such idea, and I do not think anything I said warrants the interpretation of the Senator. What I said was that the plan has not worked the way the Senator thinks it should have worked, and I am not at all optimistic that the somewhat roundabout, complicated, and involved procedure which would be set up under the Bankhead amendment would cure the situation.

Mr. EASTLAND. I hope the distinguished junior Senator from Maryland is wrong about that, and I know he hopes he is wrong.

Mr. President, I was discussing inflation. The hour is growing late, and I shall stop in a few minutes.

The O. P. A. says the amendment will cost \$150,000,000, and will be pyramided to \$350,000,000 in terms of increased cost to the consumers. However, the pyramiding of costs would be in violation of the O. P. A.'s rule and the O. P. A.'s regulations.

Where is the inflation in this country; and how is it that this amendment, if properly administered, will actually save the consumers money and, in addition, will increase the production of cheap clothing in America? A few moments ago I discussed finishing ceilings 127 and 128. According to the figures of the Textile Accounting Division of O. P. A., we could save \$100,000,000 a year by reducing those ceilings to their base-period level. Not long ago Chester Bowles made

a speech in which he stated that clothing costs in the United States had increased 7.4 percent in the past 2 years. Some items have increased 100 percent, but the over-all picture is 7.4 percent; and yet the prices of cloth and cotton have remained practically stationary. The increase of 7.4 percent has increased the clothing bill of the American people roughly \$800,000,000 a year; and O. P. A., while permitting such a thing as that, raises the cry of "Inflation!" against this amendment.

I hold in my hand a piece of seersucker cloth, which will demonstrate how absurd the cry of "Inflation" against this amendment is. On the 31st day of May a piece of such cloth sold in department stores in the city of New York for 69 cents a yard. A pound of cotton makes 4 yards of the cloth. Today cotton is worth 20 cents a pound. In other words, the consumer in New York pays \$2.76 for 4 yards of the cloth, and the farmer receives approximately 20 cents. If this amendment is adopted, the farmer will receive 21 cents. The O. P. A. says that is inflationary; and yet in the past two years that cloth has doubled in price. Three yards of that cloth are required to make a dress which, on the 31st of May, sold in New York department stores for \$9. From that \$9 the farmer receives 15 cents for three-quarters of a pound of cotton which went into its construction. To give the farmer three-quarters of a cent more for the cotton which goes into a \$9 dress is inflationary, says the O. P. A.; yet it was not inflationary to permit that dress to double in price, or to increase from \$4.95 to \$9 during the past year. If this amendment is adopted, by adequate price control, we can save the American people half a billion dollars a year in their textile bill.

What has happened in the case of rayon?

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. WEEKS. Does the Senator know what the price of that cloth was at the mill?

Mr. EASTLAND. I do not. I know that it was very meager.

Mr. WEEKS. I was thinking of the comparison between the price at the mill 2 years ago and the price at the mill today.

Mr. EASTLAND. It would be the same. There has been no increase.

Take the case of rayon. Senators from wool-producing States will be interested in this comparison. Rayon is a great competitor of cotton and wool. There are 16 principal rayon-producing companies in the United States. With one exception, every single one of them is owned by foreign capital. They are owned by British, Dutch, French, and Belgian capital. There is only one large American producer.

The rayon manufacturer is a competitor of the American cotton grower and the American wool grower—men whose sons stormed the beaches of the fortress of Europe on Monday night last, men whose sons are following Old Glory, fighting for the country that they love, men

who have a greater stake in the future of America than the dollars invested here by the foreign-owned rayon cartels.

The profits of these rayon companies in the past 2 years have been 137 percent greater than they were in the base period from 1936 to 1939. Today, under O. P. A. regulations, the rayon companies are permitted a net profit of 16 cents a pound. During the period that they have made this profit of 16 cents, the total price of cotton has been around 16 cents a pound.

On February 4, 1943, a recommendation was made by Donald A. Crawford, an economist in the rayon section of O. P. A. This comes from the files of O. P. A. Mr. Crawford says that these companies had an income of \$20,996,000 during the base period, and that that profit increased to roughly \$50,000,000 a year ago. I submit that that condition exists in the rayon industry today, because the net profits today are the same as they were a year ago. Listen to this recommendation made by an official of the O. P. A.:

Applying the formula for reasonable profit adopted by O. P. A. (Price Policy Series Memorandum No. 5) to the rate of return on invested capital for seven principal producers of rayon yarn, a 9-cent-per-pound reduction would be justified.

Has it been made? No; and yet to grant parity to a poor cotton farmer, a man with an income of 20 cents an hour, would be inflation. But it is not inflation to permit foreign capital to make 16 cents a pound net profit.

I quote further from the same document:

Certainly these are profits properly classified as unreasonable and exorbitant under Executive Order 9250, which the Administrator is required to prevent in fixing price ceilings.

The price was 9 cents a pound too high, and profits were "unreasonable and exorbitant * * * which the Administrator is required to prevent in fixing price ceilings." Yet nothing has been done about it. Place these interests on a reasonable profit basis, and we can save enough money to pay parity to the cotton growers of America. That recommendation has been made, but nothing has been done about it. Although the rayon industry is largely owned by foreign interests, rayon is a favorite in certain circles today. In addition rayon companies have been given priorities to manufacture rayon cord for tires, thus taking away the market from the cotton farmer for half a million bales of his cotton; and rayon manufacturers have been permitted to charge off in a 5-year period from their profits the costs of the new plants, plants which are manufacturing tire cord and depriving American citizens of the market for their cotton.

Mr. President, there is a powerful hidden influence in this Government which protects the rayon interests and allows them exorbitant profits to the detriment of American citizens who produce wool and cotton. O. P. A. owes an explanation to the Congress. O. P. A. owes an explanation to the public for permitting such exorbitant and inflationary profits. Why should rayon be permitted better

treatment than is accorded to our own citizens?

The argument is made that we should not give cotton special treatment. I submit that in this amendment we are not giving special treatment to cotton. We ask only that the cotton industry be put on the same basis as other fabric-producing American industries. Take the case of wool. The wool manufacturer is not held under a ceiling so low that wool cannot reach parity. As a general rule the wool manufacturer is not on a 90-percent bulk-line basis, where we seek to place cotton. He is on a 100-percent cost-plus basis. That is all right; but we ask only that cotton growers and cotton manufacturers be given the same treatment.

Under the price ceilings of the O. P. A. the rayon manufacturer is not required to manufacture at a loss certain kinds of rayon. The O. P. A. realizes that to require rayon manufacturers to manufacture at a loss would be to decrease the production of rayon for the war effort. Therefore they do not insist on such a requirement. We ask only that cotton be accorded the same treatment. Under the ceilings of the O. P. A., the wholesale merchant, the retail store, is not required to sell certain goods at a loss. We ask only that cotton be put in the same category.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MURDOCK. Will the Senator explain his analogy between this amendment and a similar amendment in behalf of wool?

Mr. EASTLAND. Certainly.

Mr. MURDOCK. I should like to hear the explanation.

Mr. EASTLAND. Very well. In many instances textile ceilings are so low that a cotton grower cannot obtain parity for his cotton. Textile ceilings with regard to wool are not low enough to prevent a wool grower from receiving parity for his wool. Wool is generally on a cost-plus basis. All the manufacturing costs are taken into consideration, and a reasonable profit is computed. That profit is on a percentage basis. Assume that it costs 12 cents a yard to make a woolen garment, and the woolen mill receives 2 cents a yard for its profit; if its costs increase until they reach 20 cents a yard in order to make the same yard of woolen garment, the same percentage of profit will be figured on the 20-cent article that was computed when the article cost only 12 cents. Instead of 2 cents a yard the profit would be roughly $3\frac{3}{4}$ cents a yard. Cotton mills are forced to make many items at a loss. If it costs 12 cents a yard to make a certain item and the mill makes a profit of 2 cents, and the cost increases to 20 cents on the same basis, the mill is still allowed to make a profit of only 2 cents, and not 4 cents.

However, that feature of the situation has nothing to do with the pending amendment. The ceilings which require manufacturers of cotton clothes to lose money under certain conditions do not exist in the woolen industry.

Mr. MURDOCK. If I correctly understand the Senator, the distinction which

he makes between wool and cotton is wholly chargeable to the O. P. A.

Mr. EASTLAND. Yes; to their price structure.

Mr. MURDOCK. The Senator does not mean, does he, that the wool producer in my State is guaranteed parity today any more than the cotton farmer is guaranteed it?

Mr. EASTLAND. Oh, yes.

Mr. MURDOCK. In what way?

Mr. EASTLAND. The ceilings are figured so low that a cotton farmer cannot be paid parity under them. In establishing the price ceiling, cotton is figured at from 1 to 3 cents a pound below parity, evidence of which I have submitted by placing O. P. A. figures in the record. Wool is figured at parity and above parity in establishing the price ceiling.

Mr. MURDOCK. The Senator is referring to the O. P. A.

Mr. EASTLAND. The O. P. A. has figured the cotton ceilings so low that it has prevented the price of cotton from going to parity. In establishing the wool ceiling it has figured the wool cost high enough to permit the parity price to be paid.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield.

Mr. BARKLEY. Is it not true that the price of wool was considerably above parity before there was any price-control act under the O. P. A.?

Mr. EASTLAND. Yes; and I am not disputing it.

Mr. BARKLEY. That being true, when the price ceilings of the O. P. A. were fixed on wool products they had to be based on the price of wool prevailing at a certain time previous thereto. That condition did not exist with respect to cotton.

Mr. EASTLAND. That is true, but the point we are making is that there is a difference in treatment. The point made by the Senator from Mississippi is that a shackle has been placed by a governmental agency which prevents cotton going to parity. In the case of wool no shackle has been placed which would prevent wool from going to parity. All we ask for is equal treatment.

Mr. BARKLEY. I thought the Senator was stating that the difference between the treatment of the O. P. A. in the case of wool and in the case of cotton was responsible for the fact that the wool grower receives a price above parity, and that the cotton grower does not.

Mr. EASTLAND. Oh, no. Of course, the O. P. A. price ceilings have not prevented wool from going above parity.

Mr. BARKLEY. I thought the Senator was drawing an analogy between the treatment by the O. P. A. of wool and its treatment of cotton.

Mr. EASTLAND. I say that the O. P. A. has placed a shackle which has prevented cotton from going to parity, and that it has not placed a shackle which would depress the price of wool.

Mr. BARKLEY. Even if the O. P. A. had fixed ceilings on all woolen goods it would have had to base those ceilings on a price for wool which was above

parity before the O. P. A. was in existence.

Mr. EASTLAND. That is correct.

Mr. BARKLEY. So the O. P. A. had a different basis upon which to act.

Mr. EASTLAND. Yes; but ceilings have been placed on cotton. They are so low that they have actually depressed the price of cotton. Wool has not been placed on any such basis, and wool prices have not been depressed.

Mr. President, a meeting was held of representatives of the cotton industry, several Senators, and representatives of the O. P. A. As I have stated, Mr. Gitchell and Mr. Brownlee, who met with us, are both excellent gentlemen. They are successful businessmen. They are in my judgment honest, sincere, and desire to do the right thing. However, they know absolutely nothing about the cotton business, and were frank in so stating.

Do Senators wish to know what is the trouble? The growth and production of cotton in the United States is the biggest business in the world. More people make their living in growing and producing cotton than in any other American industry. I believe the figures will show that that statement may be enlarged to include any other industry in the world. Persons who have built that great business and have successfully operated it have stated that this amendment would not be inflationary, and that under it parity could be paid for cotton. I submit that the judgment of these gentlemen, both producers and mill men, are entitled to serious consideration.

It is said by these men that this over-all pricing theory of O. P. A. has prevented production, and that we should put each article on its own bottom, give a profit on each one, but reduce the inflationary articles, that that is sound business.

Issue is taken by certain men in O. P. A., and, as I stated, the policy men there, Mr. Gitchell, of the Consumer Division, and Mr. Brownlee, are good businessmen, and honest and reliable, but know utterly nothing about the cotton business, and at these meetings they were surrounded by certain advisers. It was perfectly evident to those who were present that those gentleman, those advisers, run the cotton show in O. P. A., that those gentleman through the power of recommendation control the cotton policy of O. P. A., and I submit that, in this dilemma, the Senate of the United States should weigh carefully the unselfish, patriotic business judgment of the men who have ability to operate America's biggest business in contrast to these advisers.

Who is it that takes issue with these practical men? I shall read several names taken from the personnel files of O. P. A. which I have here. What I say is nothing against these advisers in O. P. A. I think they are honest, sincere, and patriotic. The only charge I level against them is that they lack business experience, that they have had utterly no experience in textiles, and are incapable of administering the cotton program.

The first of these gentlemen is a man with whom I have associated somewhat—

and I think he is a very excellent gentleman, I know he is very intelligent, and I think he is honest and sincere—Dr. Henry Hart, the associate general counsel. Dr. Hart was born in 1904 and has a doctor's degree from Harvard University. He was editor of the Harvard Law Review. By profession he is a college professor. He was on the faculty of Harvard University. That is laudable. He has risen high in his profession. But that does not qualify him to fix textile ceilings, that does not qualify him to have any voice in O. P. A. policies in regard to cotton. Dr. Hart has never seen a cotton mill, has never seen a cotton farm in his life.

Now let us take the most powerful man in O. P. A. He did not attend those meetings, but everyone knows that Dr. Richard Gilbert has much to say about the agricultural policies of O. P. A. Dr. Gilbert was born in 1902, and is a graduate of Harvard University with a Ph. D. degree. He is an economics teacher, and for several years has been in the Government service. Dr. Gilbert was assistant to the Secretary and Harry Hopkins' economic adviser when Hopkins was Secretary of Commerce.

Mr. President, I do not think that Harry Hopkins' economic adviser is a proper person to have any say or any authority in the cotton program of the O. P. A., or any other agricultural policy. Dr. Gilbert has had utterly no experience in business. I am sure he is honest, I am sure his intentions are good, but he is not qualified to administer this program.

There was another gentleman, a very likeable man, who attended those meetings, and who is one of the cotton advisers, it was evident to all of us. I refer to Dr. Donald H. Wallace. Dr. Wallace was born in 1903. He also has a doctor's degree from Harvard University, and was an assistant professor of economics at Williams College and Harvard University before coming into the Government service. Dr. Wallace held a minor appointment in the Department of Labor from 1939 to 1940. He has had utterly no business experience, knows nothing about the cotton business, and certainly is not competent to speak on the question here under consideration, or to advise in formulating the textile and cotton programs.

The next gentleman who attended those meetings, and who is certainly one of the advisers, was Dr. Benjamin Caplan. Caplan was born in 1909, attended McGill University at Montreal, and received his doctor of philosophy degree from the University of Chicago. Dr. Caplan taught economics in some minor junior college in Chicago, and held minor positions in Government bureaus until he went to O. P. A. Dr. Caplan has had utterly no experience in the cotton business, he has had no experience in any business of any kind, character or description. In fact, he has had no practical experience in anything.

Mr. President, I submit that men like these are responsible for the textile program bogging down.

There was another adviser who attended those meetings, one Leander L. Lovell. As I understand, Mr. Lovell is a

member of the C. I. O. That does not disqualify him but it shows his interests are not in the cotton grower, not in the cotton mill, not in getting production, but in labor relations.

Mr. Lovell was born in 1906. He holds a master's degree from the University of Wisconsin. Mr. Lovell studied economics, and has held very minor places in the Government service since that time. He, too, has never seen a cotton field or been inside a cotton factory, and is totally inexperienced in business.

The next gentleman who attended those meetings—and he, I understand, is an influential man in the cotton program—is Mr. William Stix, the chief attorney for the Textile Division of the O. P. A. Mr. Stix's qualifications are even better than the qualifications of the gentlemen whose names I have just said. Mr. Stix was born in 1911, and is also a graduate of Harvard University. I said he was better qualified, because Stix has been in business for himself. Stix practiced law for himself. For 5 months, for 5 whole months, 150 days, he had a law office in the city of St. Louis, with his shingle out, offering to practice law, specializing in labor relations. He left there, entrained for the city of Washington, and got a job at \$2,100 as a field investigator for the Senate Civil Liberties Committee. After holding minor Government places like that, he has become a power in the cotton program in O. P. A.

Mr. President, as I stated, these men are, in my judgment, doing the very best they can, but experience counts, ability in any particular line of endeavor counts, and I submit that the cotton program in O. P. A. should be in the hands of efficient businessmen who know the cotton business. Those experienced men cannot be cast aside, and the biggest business of this country turned over to several college professors, and they be expected to conduct it successfully.

Textile production is falling down. The War Production Board says that if it is not increased to the 1942 level it will equal a serious military defeat. We must have that production increased. We cannot say, "This is simply a question of administration," and send it back to O. P. A. O. P. A. will fail. It is our responsibility. It is the duty of the Congress. We cannot pass the buck. We must take action to protect the war economy of our country.

Mr. President, the cotton business says the amendment is good. It says the amendment is not inflationary. It says the amendment will not increase the profits of the textile industry. Are we going to adopt it or are we going to pursue the same course as is at present being pursued?

Mr. President, I challenge the opponents of the amendment to produce a program which will increase production of textiles and will obtain parity for the farmer—something which they say the amendment will not do. Can we not rely on the judgment of the men who have built and have successfully operated the world's biggest business, the business of growing and producing cotton?

Mr. President, on behalf of the cotton farmer, I maintain that he is entitled to the same open-handed justice as any other American citizen. The adoption of the amendment will not give him justice, because labor costs are not computed in the parity formula, but it will give him the price which under the present law he is entitled to receive, it will cause more cotton to be manufactured by the mills, it will take up all the cotton surplus which the opponents of the amendment speak of, and it will promote the war economy of our country.

Mr. President, I submit that the amendment should, by all means, be adopted.

Mr. ELLENDER. Mr. President, today during the debate, when the distinguished Senator from Alabama [Mr. BANKHEAD] was presenting his case, the name of York Wilson was mentioned in a colloquy between the Senator from Alabama and the Senator from New Hampshire [Mr. TOBEY]. I desire to place in the RECORD a letter which I received from Mr. Bowles in relation to Mr. Wilson. Before I read the letter I should like to state that some time last week I was asked by the distinguished Senator from Mississippi [Mr. EASTLAND] to discuss the Bankhead amendment with Mr. Wilson, and at that time I understood the Senator from Mississippi to state that Mr. Wilson was connected with the textile industry. I did not know at the time that he was connected with O. P. A. However, last Monday or Tuesday I learned from the Senator from Mississippi that Mr. Wilson was connected with O. P. A., and I further learned that Mr. Wilson's views did not correspond with those of the O. P. A. Administrator. So I telephoned to Mr. Bowles and he not being in his office, Mr. Rogers talked to me. I explained to Mr. Rogers that I learned that there was some conflict in O. P. A. in respect to the Bankhead amendment, that I was advised that Mr. York Wilson was in favor of it, and that Mr. Bowles and a number of others in O. P. A. were against it. So I asked Mr. Rogers to present my comments to Mr. Bowles. I received from Mr. Bowles the following letter addressed to me:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C.

The Honorable ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: Yesterday my deputy, Mr. Rogers, told me of your comment on the fact that an O. P. A. employee, York Wilson, had been serving as an aide to Senators BANKHEAD and EASTLAND in their efforts to make special provision in the Price Control Act for cotton textiles. Since O. P. A. is severely critical of Senator BANKHEAD's textile proposal, I think you are entitled to an explanation of how this situation arose.

Mr. Wilson is the chief accountant in the Textile, Leather, and Apparel Section. His duties do not extend beyond obtaining financial and cost data in response to requests made by our operating personnel. Decisions as to the action called for by this information are made by the operating personnel in accordance with the established pricing policies of the agency.

Several months ago Senator EASTLAND met Mr. Wilson in a conference with O. P. A. staff members over our cotton-textile ceilings. At the end of the meeting Senator EASTLAND re-

quested that Mr. Wilson be made available to him during deliberations upon renewal of the Price Control Act.

I must confess that this arrangement, which we thought would be mutually helpful to Senator EASTLAND and to us, has caused us embarrassment. Mr. Wilson has unfortunately been drawn into an expression of his personal views on matters far beyond his limited and specialized duties as an accountant in this organization. His duties do not give him the authority, nor does he have the qualifications, to speak for the O. P. A. on any policy question. His judgment on these matters suffers from his utter failure to take into account—as I must—all aspects of the price-control problem as a whole. From what I have heard of Mr. Wilson's ideas, I can only say they are one-sided in approach and recklessly inflationary in their consequences.

You are undoubtedly familiar with the position of this Office on the Bankhead amendment. This amendment has been presented to you as a means of raising the farm price of cotton to parity (now about 1 cent higher than the market) and of increasing textile production. However, the proposal is no guaranty that the first of these objectives would be achieved nor has it any real bearing on the second. The price of cotton is held in check and a top limit is set on textile output by factors other than O. P. A. cotton-goods ceilings.

What the Bankhead bill does guarantee is that the consumer will pay increases of a quarter billion dollars or more in prices for clothing, yard goods, and domestics. It is a guaranty of even greater profits to the cotton-textile industry which, on the average, is enjoying profits nine times or more those of pre-war. So generous are the terms of the amendment that it more closely resembles an exemption from price control than a formula for fixing ceilings. Were the Bankhead proposal to become law the Congress could not in fairness refuse equally favorable treatment to other industries.

These are the reasons why I say in all earnestness that, of all changes now under consideration, the Bankhead amendment is the single proposal best calculated to shatter the entire structure of stabilization.

Sincerely,

CHESTER BOWLES,
Administrator.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I should like to make a statement for the information of Senators. It is my purpose to move that the Senate take a recess until 11 o'clock tomorrow morning. It is very desirable that we proceed as rapidly as possible with the pending legislation. It had been my hope that we might finish it today, but we have not been able to do so. I hope we may finish it tomorrow.

With that purpose in view, after consulting with the Senators in charge of the pending bill and in charge of the amendment, with the minority leader, and with other Senators, I may state that it is agreeable that we meet tomorrow at 11 o'clock, instead of at 12 o'clock.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit the conference report, House bill 4070, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23, 40, 45, 48, and 62.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 7, 10, 12, 15, 16, 18, 19, 20, 21, 22, 24, 25, 27, 28, 31, 32, 33, 34, 36, 38, 39, 41, 42, 43, 44, 46, 47, 49, 50, 51, 59, and 61 and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,750"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,821,900"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$10,000,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,104,500"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,500,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$38,000,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$164,044,940"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,259,355,440"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 4, 6, 8, 14, 29, 30, 35, 37, 52, 53, 54, 55, 56, 57, 64, 65, 66, 67, 68, and 69.

RICHARD B. RUSSELL,
THEODORE FRANCIS GREEN,
STYLES BRIDGES,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

C. A. WOODRUM,
JAMES M. FITZPATRICK,
JOE STARNES,
JOE HENDRICKS,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
FRANCIS CASE,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report? The Chair hears none.

Mr. McKELLAR. I move the adoption of the conference report.

The report was agreed to.

Mr. McKELLAR. I now ask the Chair to lay before the Senate the action of the House on certain Senate amendments.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4070, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

June 1, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 37 and 69 to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 68 to said bill and concur therein with an amendment as follows:

In line 1 of the matter inserted, by said amendment strike out "July 1, 1944," and insert "January 1, 1945."

That the House insist upon its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 8, 14, 29, 30, 35, 52, 53, 54, 55, 56, 57, 64, 65, 66, and 67 to said bill.

Mr. McKELLAR. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 68.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. I now move, Mr. President, that the Senate further insist on its amendments numbered 1, 2, 3, 4, 6, 8, 14, 29, 30, 35, 52, 53, 54, 55, 56, 57, 64, 65, 66, and 67, and ask for a further conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GLASS, Mr. RUSSELL, Mr. TRUMAN, Mr. GREEN, Mr. McKELLAR, Mr. BRIDGES, and Mr. WHITE conferees on the part of the Senate at the further conference.

MUSKINGUM WATERSHED CONSERVANCY DISTRICT

The PRESIDING OFFICER (Mr. McFARLAND in the Chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1849) for the relief of Muskingum Watershed Conservancy District, which was, on page 2, line 12, after the word "claim", to insert a colon and the following proviso: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. WHITE. Mr. President, let me ask what the bill is.

Mr. ELLENDER. It simply adds an amendment providing that the re-

House of Representatives

THURSDAY, JUNE 8, 1944

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our help in ages past, our hope in years to come, we draw near to Thee, asking to be made strong in Thy strength and our spirits opened to Thy sacred influence. By toil and sacrifice we would lift ourselves into the confidence of those who defend us, who in the peril of death are struggling to release humanity from the appalling grip of despotic masters; O bless and claim the devotion of our souls. In the frailty of human nature judge us not, dear Lord, by that which we have lost, but by the conflicts we are striving to win.

Do Thou inspire our people to deep fidelity and obedience, to humility and prayer for all who know not the way. How many tired hearts in our land—waiting, waiting, and there cometh a mist and a weeping rain and life is never the same again. May their worn hearts wait for Thee more than they who wait and watch for the morning. "In His good time, in some good time, they shall arrive." So long as there is a flower to lift its face toward the sun, so long as there is a bird to sing away the selfishness of men, so long as there is a lone pilgrim with the scarred image of our Father, slipping and falling upward, we bless Thee that there will be mercy and redemption in the heart of the Almighty. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. MALONEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the radio addresses delivered by Senators OVERTON and ELLENDER and the gentleman from Louisiana [Mr. HÉBERT] and myself on June 6 from radio Station WOL, Washington, D. C., and through radio Station WNOE, New Orleans, La.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial on German atrocities from the New York World-Telegram.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own re-

marks on three subjects and to include therein certain statements and excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION OF RECORD

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to correct the RECORD of yesterday. On yesterday I asked unanimous consent to place in parallel columns a statement prepared by S. S. Pierce & Co., family grocers since 1831 in Boston. That part was left out of the statement, and the date was left out. It should have been May 15, 1944. Since that concern is over a hundred years old I feel that these dates should have been mentioned in connection with my remarks.

The SPEAKER. Without objection, the correction may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

EXTENSION OF REMARKS

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include extraneous matter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two letters I have received from Government officials.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution adopted by the General Federation of Women's Clubs.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. LAMBERTSON asked and was given permission to extend his own remarks in the RECORD.)

FARM PROSPERITY FOLLOWING THE WAR

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. HAGEN addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and include therein an explanation of a farm bill by Senator PEPPER and Senator SHIPSTEAD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4941, extension of Emergency Price Control Act of 1942, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, the pending bill, extending the operation of the Emergency Price Control Act of 1942, deals with stabilization and ceiling prices. It is not, therefore, inappropriate at this time to discuss a grave injustice that has been done the farmers of America in fixing the ceiling prices of their farm products.

The O. P. A. law provides that ceiling prices of farm products shall not be less than the parity price of such products. The injustice lies in the fact that under existing regulations, farm wages are not included in determining parity.

This House has sought to correct that injustice, and has twice passed legislation directing and requiring that in determining parity prices of agricultural commodities the cost of farm labor shall be included therein. I actively supported

both of these measures, but neither of them became a law because the other body took no action thereon.

The last bill passed by the House, during this Congress, more than a year ago, was H. R. 1408, known as the Pace bill. After its passage by the House it went to the Senate, and was favorably reported by the Senate Committee on Agriculture and Forestry, but has never been acted upon by the Senate, and is still pending in that body. Six months yet remain before this Congress expires, in which time, if the other body would act, the bill might then become a law without further action by the House.

I understand that the author of the Pace bill, the gentleman from Georgia [Mr. PACE], will offer it as an amendment to the pending O. P. A. bill, and which, if adopted, would require action by the other body when the O. P. A. bill reaches it for consideration.

I shall gladly support such an amendment to the pending bill, believing it to be equitable and just.

If such an amendment is adopted, it would require the Department of Agriculture and also the Office of Price Administration to include farm-labor costs in the determination of parity and ceiling prices of farm products.

A parity price, without the inclusion of the cost of farm labor, is not parity.

The meaning of parity, as defined by Congress in the Agricultural Adjustment Act, is as follows:

Parity as applied to prices for any agricultural commodity shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period, August 1909 to July 1914.

Farm labor before the war was 32 percent of the cost of producing a crop. It is more now. According to the figures of the Department of Agriculture, farm wages have gone up 174 percent since the base period, and yet not one penny of this increased cost is included in fixing parity prices. The present law authorizes its inclusion, but such has not been done, and will not be done unless Congress mandatorily so directs.

The cotton farmer has perhaps suffered most, because the price of cotton has not advanced like many other agricultural products, and yet the farm-labor cost in producing cotton has more than doubled during the war.

Statistics have been cited which have been misleading with reference to the prosperity of the farmers. A statement issued a few months ago recited that farmers are receiving prices equal to 193 percent of what they received in the base period, and that for things they buy, they are paying only 165 percent of what they paid during the base period. That is not the truth, but it leads the public to believe that the farmer is in a favorable position and is getting better prices than he pays. If farm labor were included in determining parity prices, then it would show that while the farmer is receiving for some few commodities 193 percent of the price received in the base period, he is paying 200 percent for what he has to buy.

Publicity has been given to a statement by the Department of Agriculture that prices received by farmers are now 117 percent of parity. This is not true because these parity prices do not include the increased cost of farm labor, the largest single item in the cost of producing a crop. Furthermore, it is unfair, because many commodities, including cotton, wheat, and others are all below parity. These high figures relate to the smaller crops such as apples, which are 139 percent of parity, rice is 121 percent of parity, sweetpotatoes are 159 percent of parity, and so forth, but these items represent an insignificant part of the income of the farmers of this Nation. Yet those prices are used to bring up the national average to 117 percent, while the major crops, such as cotton and wheat, are below parity, even under the present law which does not include farm labor costs.

To deny the farmers the right to include labor costs in fixing the cost of production would be an injustice, even in normal times, but in war times, with labor costs more than double, it is completely indefensible and should not be tolerated.

The Pace bill does not, as some have contended, include the entire item of farm labor. It would include only the increase in farm labor costs since the base period 1909-14, as it is changes occurring since that period which are used in computing parity.

In no other business of the country is the cost of labor eliminated in determining the cost of production. In the war contracts made by Government with industry, labor is certainly included, and when the cost of labor increases, a proportionate increase is allowed in determining the price that the Government will pay for everything it buys, except in farm products.

No class of our citizens has been more patriotic during this war than our farmers. No group has worked harder or for longer hours, or for less pay than they. No strike or threatened strike has come from that group in any section of America. They have toiled from daylight to dark, and often after dark. Their sons have gone to war, many of their daughters have joined the armed forces, and likewise their farm hands of military age. Manpower shortage has been more acute on the farms than elsewhere, and yet the Government has called upon the farmers for increased production, to feed not only our own people and our armed forces, but those of our allies. Without the food which they produced, neither our armed forces nor those of our allies could be winning the war as they are today. Food is as essential as munitions of war, and the farmers, realizing the necessity of its production, have responded, as patriotic Americans always do, and have done a magnificent job.

Talk about the feat of the industries, which has been magnificent and deserving all praise, it does not excel that of the farmers, for industry has had more labor and more Government aid, while the farmers have produced greater crops with less manpower, less machinery, less gasoline, fewer tires, fewer trucks, fewer

tractors, and yet they have produced the largest feed crop in history.

The passage of the Pace bill would not be granting the farmers a gratuity or a subsidy, but would be a mere act of simple justice.

Congress has already decreed, both in the Agricultural Adjustment Act and in the O. P. A. that they shall be paid parity prices for their products, but unless farm labor costs are included in determining parity, they are denied that which the law says they shall have. If the Pace bill should not be adopted as an amendment to the pending bill, our only hope is that the other body may pass the bill which the House passed, but I shall support it as an amendment to the pending O. P. A. bill and thereby give two chances instead of one for its enactment.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, as a member of the House Banking and Currency Committee it has been my privilege to sit for several weeks with the members of both parties who constitute that committee, listening while the people of this country brought forward their observations and their suggestions about renewal of the Price Control Act.

There were two principal jobs that we as members of the committee faced then, and that we as Members of the House face now; and, in my opinion, those two tasks are not necessarily in conflict. The first and the over-all job is that of holding the line. If we permit breaks in the Price Control Act for this group or for that group, we are going to permit the wall to be broken and the waters of inflation to rush in. We might as well frankly recognize that fact.

We face at the same time another problem and that is wherever possible and wherever it is not inconsistent with the over-all purposes of the Price Control Act to correct injustices and conditions which bring about inequities in the administration of the law. It has been in an attempt to harmonize those two principal goals that the Banking and Currency Committee has brought forth the present bill. Like most committee bills this one is a compromise. There are amendments in it which I voted against, which appeared to me to be inconsistent with the purposes I have just outlined. There are other amendments which I voted for because they appeared to strengthen rather than to weaken the existing law.

It would be futile for me to attempt to go over again the various figures showing the achievements of the Office of Price Administration. We have seen an increasingly better job during the past year and a half. It has not been a perfect job. No task of that nature can be administered without there being flaws, but it has been holding the line pretty well, and that is what it was intended to do. If in the bill we are now bringing forth we can harmonize with that the other goal, namely, the correction of some of the injustices that have crept in, then we will have made a genuine contribution to the war effort here on the home front.

Let me give an example or two of how the committee has attempted to correct certain injustices that have crept in without at the same time breaking down the over-all purposes of the act. One of the most important phases of the whole Price Control Act has been in regard to the control of rents. Taking America as a whole, rents constitute approximately 18 percent of the family budget. It was found necessary very early in the price control program to put in an order covering rents to prevent them from skyrocketing and to prevent them from being one of the most important factors leading toward inflation. Obviously in the administration of rent control there have been certain inequities creep in. Those of us from California have been especially cognizant of this fact because we probably have a more serious housing congestion on the west coast than exists in any other part of America, and that housing congestion is getting more rather than less serious. Consequently, as one of the Representatives from California, I was especially interested in the suggestions that were made as to how we might improve the rent-control picture without at the same time breaking down the line altogether.

A great many amendments were offered. Some of those seemed to the majority of the members of the committee too drastic, too extreme, but finally I introduced into the committee an amendment which passed unanimously which I should like to read to the Members of the Committee of the Whole today:

The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodation is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense rental area for comparable housing accommodations.

In other words, this particular amendment will permit the Administrator to classify additional types of cases where, for peculiar reasons, the rents prevailing on the freeze date were substantially higher or substantially lower than those for comparable accommodations within the same rental area. In my judgment, this is not in any way a crippling amendment. I look upon that as an amendment which definitely improves the operation of the whole price control program in this regard because it will directly authorize the Administrator to help correct peculiar circumstance rental cases. All of us are anxious to achieve that very thing.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. OUTLAND. I yield to the distinguished gentleman from California.

Mr. VOORHIS of California. Does the gentleman regard that particular amendment as establishing any other ground for individual adjustment in addition to those that have already been set up by O. P. A.?

Mr. OUTLAND. I look upon it as authorizing the administrator to establish additional classes of cases which can be authorized to local rent administrators giving them grounds which will meet the peculiar circumstance condition.

Mr. VOORHIS of California. As I read the bill, and I would like the gentleman to correct me if I am mistaken about this, it also included language which indicated that substantial increases in taxes or operating costs were to be considered in this matter; is that right?

Mr. OUTLAND. I do not have the language of the bill as a whole in front of me at this time, but it is not my recollection that the particular phraseology which the gentleman uses was so included. I may be in error on that.

Mr. VOORHIS of California. As I read the bill, that is to be included in a determination of general rent regulations, not in individual adjustments.

Mr. OUTLAND. The gentleman may be correct on that point. I am sorry I cannot furnish more information.

Mr. VOORHIS of California. The second question is in a different field from the first one.

Mr. ANGELL. Will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Oregon.

Mr. ANGELL. May I ask the gentleman to state in the case he has cited, in the event a case is made out by a landlord and the Administrator refuses to give consideration or refuses to grant relief, what is open to the landlord? Can he carry the matter further?

Mr. OUTLAND. I will say to the gentleman that we in the Congress, of course, can only write and phrase the law; we cannot administer it.

Mr. ANGELL. Is there a right of appeal? that is what I am asking. Is there a right of appeal so that the question may be passed upon?

Mr. OUTLAND. I think the gentleman's question will probably be answered more in detail by one of the other members of our committee who is going to speak upon the changes that have been made in court procedure. Not being an attorney, I feel somewhat handicapped in attempting to answer in detail the question that is asked.

Mr. ANGELL. I may say to the gentleman that the complaints coming in from my district are due to the fact that the Administrator refuses to take any action, regardless of the merits of the case. He just will not act. If he continues to operate in that way after we amend the law, there is no need to amend it.

Mr. OUTLAND. I might speak to that point briefly, if I may. I have probably had as many complaints from my area in California as has the gentleman in that connection.

Regulations by which adjustments can be made have been promulgated here in the Washington office. We are directing the national director to draw up additional classifications where, due to peculiar circumstances, rents are substantially higher or lower for comparable housing conditions. I assume, therefore, that we can anticipate in the very near future such additional classifications being made and sent to local directors, and certainly they would be bound to obey them. Whether or not they do so obey them, of

course, is another matter. I assume that would follow.

Mr. ANGELL. I was interested in the question raised by the gentleman from California [Mr. Voorhis] and that is, whether in any individual case relief can be granted, or whether they will classify all cases in one whole group, and one man may be starving to death and the other man getting more than he is entitled to, and yet in that group they say there will be no change; let conditions remain as they are.

Mr. OUTLAND. Might I say to the gentleman in regard to the first part of his statement that I do not think this particular amendment authorizes every single landlord in America to come in and say, "Look. Review my case." To do so would be to break down rent control. What it does do is to authorize the Rent Administrator to reclassify hardship cases, which will help in peculiar circumstance instances.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Texas.

Mr. PATMAN. May I invite the gentleman's attention to one amendment on page 5578 of the RECORD, which contains the bill with the changes in it:

He (the Administrator) shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs—

And these words were added—
within such defense-rental area.

The gentleman's amendment is very specific with reference to hardship cases.

Mr. OUTLAND. I thank the gentleman from Texas. His remarks will, I believe, answer the question asked by the gentleman from California [Mr. Voorhis].

I might leave the rent control phase of this problem for a moment to touch upon how the committee has attempted to remedy other types of hardship which have grown out of experience of the administration of the act.

For example, the whole problem of fresh fruit and vegetables has been a very difficult one. Those of us who live in agricultural communities realize that a sudden storm or some other catastrophe may serve to ruin half or more of a year's crop.

There was introduced by the committee, in an attempt to improve that particular situation, the following amendment. And again I quote:

(g) Whenever a maximum price has been established, under this act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.

That, it seems to me, is another illustration of how the committee, anxious to go into every possible aspect of the problem, added an amendment which cannot in any sense be viewed as crippling,

but again will serve to improve the general administration of price control.

Mr. PATMAN. There is another amendment on rents that might apply in the gentleman's case.

Mr. OUTLAND. We are going back to rents now?

Mr. PATMAN. Yes; subsection (h):

The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices, or methods—

Then there is some further language, and this was added by the committee—or changes in established rental practices.

That is the new language.

Mr. OUTLAND. I thank the gentleman. I was not trying to go into all of the changes made in the field of rents. I was simply trying to point out three or four of the more important ones in the bill as a whole, in the brief time I have here.

Mr. Chairman, may I make one concluding statement? In the consideration of the price-control bill, not only in the committee but in this House and the other House of Congress as well, I sincerely trust that there will be an absolute minimum of partisanship. This is not a Democratic bill or a Republican bill. It is one which is attempting to hold the home front, and consequently it is an American bill.

I should like to pay tribute to the ranking minority member of the committee the gentleman from Michigan [Mr. Wolcott] and other Members on the Republican side, for the nonpartisanship emphasized in the drawing up of this measure. I think that tribute is due them, and I, for one, should like to make it at this time.

May I make one further observation? It has been rumored that there will be a great many amendments introduced on the floor of the House. Possibly a few amendments may be in order. Again I sincerely trust that we will not see large numbers of them introduced which will have a crippling effect.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. OUTLAND. Mr. Chairman, I sincerely hope that there will not be introduced here amendments whose purpose it is to favor this particular group or that particular group. If we start in on that course of events, we are not only going to wreck the bill and the purposes of the bill, but we are going to invite, I believe, a veto of it.

While the present bill as drawn, certainly is not perfect, it does represent in most respects a fair compromise. It seems to me, with a very few exceptions, that it is probably the best that could be drawn under the circumstances. It is a delicately balanced one, and if we throw one part of the mechanism out of gear it is going to be certain that we will throw a great many other parts of that mechanism out of gear, and eventually the whole machine.

I hope that the Members on both sides of the aisle, therefore, will be very careful indeed in introducing amendments

which may possibly help to upset the apple cart.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. Gifford].

(Mr. GIFFORD asked and was given permission to revise and extend his remarks.)

Mr. GIFFORD. Mr. Chairman, I wish I could contribute something worth while to this discussion. Our committee has not reported very many amendments, and several of them were rather approved of by the O. P. A. officials. You have heard that we should not offer any crippling amendments. If there is any crippling to be done, let the O. P. A. do it. And they, of course, have done much of it. Vast amounts of money have been spent in this country because of the war. Conditions generally are pretty good, are they not? Let us leave the word "generally" in, although I would like to vote 10 times to take it out. It is too often used to defend inattention to hardship cases. We had a difference in the committee, but it is still in the bill. If the general health is better in your community, let the sick ones despair of relief.

I am only a Congressman, having largely delegated my authority to many scattered Government agencies. Must I take the position that I am a Congressman only because I am smart enough to be elected? We seem to have few qualifications now other than that. Largely, the powers supposed to be given to us are taken over by these agencies. Even if the agencies of the Government do attempt relief, we may expect orders and directives—plenty of them—so that even the agencies cannot pay appropriate attention. We may hear the order "hold the line." And they must hold it. No matter about hardship cases and conditions. Hold the line—John L. Lewis must be appeased.

I spoke at length on this O. P. A. matter when it was first presented to the House. I said that to hold inflation in check we needed a three-legged stool. You can hardly sit on one leg. But to hear the reports of our O. P. A. people you would think that they had really used a one-legged stool and had proved the other legs to the stool unnecessary.

You cannot tell me that the O. P. A. has controlled wages. Let us see you hire domestic help at almost any price; let us see you hire any ordinary labor in the country districts except at double or triple the price you formerly paid. Have we really held the line on wages? Well, I will ask John Lewis to testify on that. Even the dairy farmers write us this morning that they may have to endorse John Lewis and join his organization. Did you not read that this morning? This is a pretty dangerous condition. But I am a Congressman. My people write to me and expect me to be able to help them. I wish you could see what I have on my desk relating to price control. This package here is a small sample. These are communications from my people in various lines of endeavor.

"Hold the line." Did they not hear it and are they not willing to be put out of business in order to hold the line?

I should pay a high tribute to Chester Bowles. He has courage and when they tell him to hold the line he will hold it. He can be tough; he is able; he has had valuable experience. He was at the head of O. P. A. in the State of Connecticut. He is a businessman; nonchalantly he could face this committee. He is reported to have said before the committee, "We have saved the Nation and the consumers of the Nation \$65,000,000,000." Afterward he said he did not quite say that. Our friend the gentleman from Texas [Mr. Patman] constantly reiterates it.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Texas.

Mr. PATMAN. I think the gentleman is entirely mistaken about what Mr. Bowles said, that the consumers had been saved \$65,000,000,000. He showed where in the war cost, not the consumers' costs, the Government, the taxpayers, had been saved \$65,000,000,000 in the first 22 months of this war.

Mr. GIFFORD. All right. How I listen in wonder to Mr. Bowles and Mr. Patman when they tell me that they think that O. P. A. saved \$65,000,000,000. If that is their judgment, it deprives me of a lot of confidence in their judgment. Why did they not say \$100,000,000,000? Where did they get that figure? I simply do not believe it. Of course, they cannot prove it, but they can say it and they can think it. And when they think that way, I can only wonder how they will think on other matters. It disturbs me. Such extravagant statements really jolt me. Is that the line of defense adopted generally?

My people are confronted with so many regulations having the force of law that many of them are innocent lawbreakers. Millions might be in jail or heavily fined if they were caught in this net spread for them. Their day in court and their opportunity of defense is very limited. Many fine people simply rebel at unreasonable and stupid regulations and feel real justification in not obeying them. It is a corrupt nation that has a great many laws. Too many laws bring about lawbreakers. In this country our people have been taught that they are the Government. Has it not been declared constantly that this is a government of the people, by the people, and for the people? They will let us know about that in November.

Who are the people who are not too greatly disturbed? They are the fellows who can give the gasoline dealer a \$5 bill or a \$10 bill and say, "fill me up"; and somehow or other he gets filled up. Money always talked, did it not? Where did the coupons come from? Why does the black market flourish? Can we cure it by threats of punishment? It would be far better to remove the cause.

In my neighborhood it is difficult to hire anybody because the Government itself pays higher wages for easier jobs. It is claimed that there have been fewer bankruptcies the last 2 years. Of course,

there have been much fewer. Thousands of small businesses simply folded up and discontinued. They did not go bankrupt, they just simply closed the doors. Government exactions and regulations forced them out.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Does not the gentleman think that a business voluntarily closing up is a more tragic sign of the condition of affairs than a failure is, under these circumstances?

Mr. GIFFORD. It is tragic, of course. I recall a neighbor who has been in business many years. The old gentleman was looking over the instructions received for preparing the governmental reports demanded of him as to his past business and he could only say, "I am afraid I cannot live up to all that." He quit, he did not go into bankruptcy, although he probably would have, had he continued.

Rules and regulations—Mr. Bowles informs us there are to be fewer of them, that he is going to simplify them. They have been 2 years at it. Why did the two Administrators before him fail? Somebody said yesterday that it was a new thing to Mr. Henderson and he lacked experience, but I thought he complained that he did not have force enough. When price control was asked of the Congress, Mr. Henderson testified that few officials and little money would be needed, stating that the people themselves would see to it that the law was enforced. What is Mr. Bowles' report to us? He now has some sixty or seventy thousand, or perhaps eighty or ninety thousand paid employees—I do not have the figure at hand. He also has a tremendous number of volunteer workers on full and on part time. An army has gone forth, but still the black market operates. Still the hardship cases multiply.

What can we do about it? If people suffer punishments according to the rules and regulations, there will be an unfortunate era in this country. It amazes me that people who have boys in the Solomons, on Guadalcanal, and who are buying bonds, have little compunction about buying in the black market. If they think it is because of stupidity displayed here in Washington, how can I argue with them? Do we not now pay double for farm work? There is no regulation about that, you see, because it does not apply unless you employ more than eight men, and it does not apply to farmers and domestics. Wages have not been held to the line. Do not give price control too much credit in preventing inflation. It is a help, but it is perhaps the least important leg on the stool. Inflation is caused, as you well know and everybody knows, by too much money and a speculative fever coming over the Nation. Are we paying any attention to that? A little, rather indirectly. The banks are not allowed to loan money for certain purposes. As I have said before, under the many regulations of the Federal Reserve you cannot now ask credit of your merchants for more than 2 months. The merchants cannot extend

credit to you lest they have to ask their local banker for credit. Banks must remain in such financial condition that they can loan you money to buy bonds, but not to carry on your business. If your note has been in the bank more than 2 years it will have a mark on it stating that it should now be paid or greatly reduced. It may have been there 20 years with the full knowledge of your bank directors that it was as good as a mortgage. They dictate such rules apparently for one purpose, that banks should be loaded with money and that you should borrow for the buying of bonds. Perhaps that in a measure does help stop inflation. But with \$21,500,000,000 in people's pockets, with a fairly good bank account such as many people have never known before, and \$35,000,000,000 worth of bonds that can be cashed immediately, there is your inflation danger. Can anyone doubt it?

Mr. BUFFETT. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. I yield.

Mr. BUFFETT. Does the gentleman know of any instance in history any place where there has ever been a disastrous inflation that was not accompanied by deficit financing and for which the deficit financing was not primarily responsible?

Mr. GIFFORD. Well, I always thought that way about the deficit financing we had before the war, but it could not seem to bring about any inflation. In the end it would seemingly be proven that you are right. We have to pay the debt somehow. We are confused. We are adopting new doctrines. I was brought up in a community where my forefathers were Puritans and Pilgrims and we were taught thrift and economy: "Prepare yourself for your old age; do not become dependent," and all that sort of thing. Now that doctrine seems to be thrown overboard: "We can borrow from ourselves; can we not?" "We simply owe it to ourselves, and since we are to pay ourselves, it doesn't matter, does it?" Again it seems of little importance what is happening in hardship cases if generally conditions are fairly good. That seems to be the doctrine of the O. P. A. The widow who owns a tenement and rents were frozen when they were low—never mind her; she is not important, if landlords generally are better off. Freeze as of a certain date and ignore costs that have increased. This must be corrected. We must, of course, acknowledge that there are less vacant tenements. But this new doctrine! Freeze as of a date when prices and rents were low. No doubt, Chester Bowles can be tough. He is very able. We admire him greatly. When he came before this committee, however, he was flanked on both sides by those of his own Department who had thought up all the answers. He personally did not need to have the answers. They had thought them up. They were ready to face the committee. Then he told us he gained a great deal of information and that the sessions were a great help to him and would bring about a better understanding. I think they will. There was a great array of witnesses. After the 40

days of hearings, I got the idea there was pretty general dissatisfaction, not satisfaction, with the O. P. A.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. RIZLEY. I always enjoy the philosophy of the gentleman. I think it is sound.

Mr. GIFFORD. Well, perhaps I complain too much.

Mr. RIZLEY. I would like to ask the gentleman a few questions about this bill and what the committee has done about certain things.

Mr. GIFFORD. I have tried not to go into details of the bill as the amendments have already been much discussed.

Mr. RIZLEY. The basic industry of my section of the country is agriculture, and next to agriculture in my specific section of the country is the oil and gas business. Wages on the farm have continued to increase since the original O. P. A. Act was made effective. Likewise the wages that the producers of oil must pay to their employees. What has the committee done in this bill to remedy that situation so that the farmer can pay these increased wages and expect to have that reflected in what he gets in his prices that can be fixed by ceilings? What have they done toward fixing the price of oil which my oil producers produce, and which is way, way below parity now, in order to meet the increased wages that have come about while we have been regulating all these things? Can the gentleman shed some light on that?

Mr. GIFFORD. Oh, yes. The committee listened sympathetically. But later on Mr. Vinson came in before our committee, representing the President of the United States—"hold the line." He drew such a picture that the oil question sort of faded away. He advocated subsidies as the only method of relief in the oil situation. I think there was no oil amendment offered in the committee. But I will shed copious tears with you. If the gentleman has any sort of reasonable amendment, I shall probably vote for it. I was one of those who voted to report this bill and felt very fortunate we could get as many amendments voted as we did, with the pressure exerted for no amendments at all. I am a Republican and in the minority. However, we have some very able men in the minority. Many of their suggestions were adopted. Right here, lest I forget it, let me call attention to that splendid gentleman from Kentucky [Mr. SPENCE], our chairman. He opened meetings promptly. He was always fair. I think it unlikely that pressure groups could interfere with his sound judgment. He was hounded with the cry "No amendments, for any amendment would be a crippling amendment." There are many women's organizations, composed largely of consumers, who think they are buying cheaper under O. P. A. prices and we have heard much from them. However, when it came to onions, and they could not buy any at all, it rather seems that they were quite willing and glad to be served in the black market. We may finally be convinced that production is

more important than an unfair low price which ends with nothing produced.

Mr. RIZLEY. If I understand the gentleman correctly, the committee listened attentively?

Mr. GIFFORD. And sympathetically.

Mr. RIZLEY. And sympathetically and shed copious tears; but have they done anything so far as making any adjustment of the things I mentioned?

Mr. GIFFORD. When the gentleman from Oklahoma [Mr. DISNEY] offers his proposal, perhaps they will have a chance to do something more than listen sympathetically. In spite of the fact that I was one of those who unanimously reported this bill, the gentleman can be sure that I will vote for some amendments. They are needed. I want to get fish out entirely from the O. P. A. They have made such a mess of it. They could not do otherwise. I do wish the Members of the House would inform themselves a little more about fish. So many of the Members come from sections of the country where commercial fish are not important. We cannot regiment fish and can hardly regulate fishermen. When I offer such an amendment I want the gentleman to vote for it and relieve fishermen from an intolerable situation. I shall offer an amendment. If you are sympathetic, then, perhaps, I will be more sympathetic to your amendment. We have too many laws and regulations. A decent nation does not need so many laws.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. GILLESPIE. With reference to this \$65,000,000,000 which have been mentioned, has anyone any figures as to how much of that was taken back by the Government in taxes?

Mr. GIFFORD. I presume they have; anybody can figure. It is no trouble at all to get figures. The great success of the O. P. A. is based on figures.

If this Congress has any courage they should see to it that costs since the freeze days should be considered. Price-fixing of any kind is bad enough, but to keep prices frozen in the face of increased costs should not be tolerated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. MASON. I just want to furnish the gentleman with the proper phrase for this \$65,000,000,000 that has been saved by the O. P. A. It is "statistical mirage."

Mr. GIFFORD. That is well phrased.

Mr. MASON. And the Government is now putting out an abundance of statistical mirages to fool the people.

Mr. GIFFORD. Yes; I think I may have commented on that. Do not let me deprive anyone of a belief in Santa Claus. It is a comforting mirage. Uncle Sam is in reality a Santa Claus to many. Some men when they get into office remind me of a saying, "When a mouse falls into a meal sack he thinks

he is a miller himself." How important they grow. They represent the great Government of the United States. The weight of a great Government is all on their side. When a snooper can go into your grocery store 40 days running and get an inexperienced clerk to sell him something for 5 or 10 cents above a ceiling price and then sue you for \$50 40 times, we have reached an all-time low in snooping activity. Small wonder that on yesterday, in another body, an innocent violator was voted protection and allowed to plead ignorance of the law.

Mr. Bowles is an able man. He will probably do as well as anybody could. He must consult other agencies and several czars. The job is one of the worst imposed on any man. I want to relieve him of fresh fruit and fish problems, and perhaps several others.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MURRAY of Wisconsin. Speaking of Mr. Bowles, I notice in today's RECORD in an extension of remarks by the gentleman from Texas [Mr. PATMAN], that Mr. Bowles had made a speech out in Iowa. It looks as though the O. P. A. is going to take over all the knowledge in connection with agriculture. I notice in this speech that he tells those good farmers in Iowa how bad things were from 1920 to 1930. I just wonder if Mr. Bowles, in appearing before your committee so much, had not got a little confused, because during 1920 to 1930, actually in 1926, was the only time the farmers of this country had parity price for their products up until we got into this war.

Mr. GIFFORD. But he testified he was in favor of you having parity prices. Why does he not give it to you?

Mr. MURRAY of Wisconsin. But I would like to know where he gets so much information so quickly.

Mr. GIFFORD. He was flanked by attorneys. I think Great Britain has 10 lawyers in their price-control set-up. We have some 2,600 to advise and educate him. They, of course, know everything about everything.

Mr. MURRAY of Wisconsin. I thank the gentleman.

Mr. GIFFORD. I do not think I answered the gentleman very well. But the point I desire to bring out is that the O. P. A. regulations have brought about some conditions of which we should take note and legislate when such action is needed. These new laws furnish new tricks. Good men do not need many laws. Laws do not make bad men good. We are now smothered with rules and regulations.

I like to represent my people a little more successfully. I wish so-called industry committees chosen by the O. P. A. would be more fairly selected.

I have not contributed very much to the discussion, but I feel better in that I have confessed that I am not as effective as I ought to be in presenting the complaints of my people to the O. P. A. I hope to do better. Meanwhile, however, the strawberries are being harvested and sold at too low a ceiling price.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. WINTER.]

Mr. WINTER. Mr. Chairman, it would seem that reason and good judgment would require that Congress amend the Emergency Price Control Act before it is extended for another year. There should be an amendment providing for an equitable proceeding in the United States district court to review all regulations issued by the Office of Price Administration, both as to fact and law. This amendment should provide for a review of orders, rules, regulations, edicts, and all other bureaucratic promulgations by every executive agency authorized by statute to issue such documents, or in case an executive agency has been created by the President without authority of law to test its validity as well as the validity of its creative orders. This proceeding should be made simple and expedient.

The principal difficulty which producers of this Nation have had with the Office of Price Administration has been the method used by O. P. A. in applying the so-called discretionary powers in the matters which they have had under consideration.

As the Emergency Price Control Act of January 30, 1942, as amended by the Stabilization Act of October 2, 1942, stands at present, it has been a fertile field for the testing of crackpot bureaucratic theories by hundreds of New Deal theorists now to be found in the various executive agencies set up under O. P. A. It has become an instrumentality to be used by socialistic-minded bureaucrats to practice their pet theories upon the American producer and consumer. This and many other executive agencies have assumed to issue edicts, orders, regulations, and judgments which have had, or had assumed to have, the force and effect of law, and from which the public has had no right of appeal. Now is the time for this Congress to subject all of such agencies and the regulations, edicts, and judgments created by them to the test of legality by the courts. O. P. A. should not be extended for another year without providing for review of all O. P. A. regulations and edicts by appropriate action in the United States district court, where the complaining party resides, or in the United States District Court for the District of Columbia at the choice of the party bringing the action.

Why should a citizen of Kansas, involved in a controversy with O. P. A., be required to come 1,200 or 1,500 miles to Washington to petition the Emergency Court of Appeals for relief when there is a Federal court for the District of Kansas, which does not have anything to do 90 percent of the time except draw its salary? All of the evidence involved is in Kansas, the parties involved are in Kansas, and certainly it would be more economical to both the Government and the party bringing the action and would be much more expedient.

The orders, regulations, and edicts of O. P. A. and other Federal agencies, from

which there is no right of appeal, except in limited cases, are contained in the Federal Register, which has now become more important than the United States Code. It is a sad state of affairs when a large mercantile organization here in the city of Washington alleges that the mass of contradictory and nonunderstandable orders of the Office of Price Administration have reached such volume that they were required to employ 33 clerks and 2 lawyers in an effort to comply with the regulations and edicts of this bureaucratic monstrosity.

It is necessary, of course, to make every effort to avoid the consequences of inflation, but there is no excuse for Congress continuing the Emergency Price Control Act without providing some protection for the citizen who is the target of thousands of bureaucratic regulations, promulgated here in Washington.

The Federal Register, volume 8, covering last year's activity of the various Federal bureaucratic agencies of the United States Government, contains 17,553 pages of bureaucratic-made laws, rules, and regulations. These rules and regulations of bureaucratic agencies have the force and effect of law. Violation of their provisions may constitute our constituents criminals or deprive them of their business.

It is, indeed, a serious matter when the Federal Register becomes more important to our constituents than the United States Code, which contains the laws enacted by Congress and which, incidentally, only contains 5,340 pages up to and including supplement No. 3.

I doubt if there is a lawyer in this House who can intelligently analyze the mass of bureaucratic regulations and orders applying to any particular line of business that he might be called upon to advise concerning its course of action under these regulations.

The operations of O. P. A. are cluttered up with red tape and foolishness and it is high time that Congress provide some recourse for the citizen who must operate his business in spite of this mass of regulations and orders.

The only protection which the American public can have in this situation is to grant a free, full, and complete review of all of the regulations and orders of the Office of Price Administration and any other agency which is concerned with the execution of the program under the Emergency Price Control Act and the amendments thereto.

It is not enough to provide for a complete review of orders and rulings of the O. P. A., as now constituted. Provisions should be made for a review of all orders, proceedings, decisions, and regulations, of any board or agency now in existence, or that may be hereafter created by Executive order with or without authority of law.

Congress should also specifically outline the authority of the Office of Price Administration and War Food Administration under the terms of this bill, and should revoke the authority of all other agencies, created by Executive order, to administer any of the provisions of this act. The discretion that is now granted to the Office of Price Administration,

and the Secretary of Agriculture, and by him delegated to the War Food Administration, should be strictly and carefully defined in this bill so that these administrative bodies cannot annul the intent of an act of Congress.

To illustrate the methods used by the Office of Price Administration and the War Food Administration to disregard the will of Congress, I would like to call the attention of the House to the methods used by these agencies in determining maximum prices for agricultural products. The Stabilization Act of October 2, 1942, provides that the maximum price for agricultural products shall not be less than the highest price received for such products between January 1 and September 15, 1942, or parity, whichever is the higher. There is a letter placed in the record of the hearings before the Banking and Currency Committee of the House of Representatives, written by the War Food Administrator to a Member of this House, which clearly demonstrates that the economic experts in these agencies calculate the farmer out of the benefits of this act.

The illustration which they use shows that potatoes ranged in price during the test period from 97 cents to \$1.24½ per bushel, the low price being in January 1942 and the highest price of \$1.24½ in July 1942. By some unknown method evolved in the minds of these bureaucratic theorists in which they compare what they call the season-long price with the 5-year period preceding the test period of 1942, they arrive at a maximum price of \$1.14 per bushel for potatoes, which is 10 cents less than the maximum price fixed by the act. This sinister method of avoiding the plain terms of the act is accomplished by a "joker" in the original bill which permits the Secretary of Agriculture to adjust the price as to distance, grade, and seasonal differentials. I am certain that not a single Member of this body knows the meaning of that clause. I doubt very much whether there is a bureaucrat in Washington who knows what it means, or cares very much. This provision is simply used as an excuse to avoid the terms of this act as passed by Congress.

Illustrations of this character could be multiplied many times, not only in agriculture but in all lines of endeavor. They simply illustrate that it is necessary for Congress to strip these bureaucrats of every vestige of discretion, and provide in plain, unmistakable terms the limits of their power under the act.

These departments are full of "parlor-pinks" and half-breed socialists, whose primary purpose in life is to get social control of the farmer, the industrialist, and the laborer.

The sad comment upon this situation is that the laboring man has been lulled to sleep by the siren song of these economic theorists and seems to think that his lot in life will be improved, and that he is to become the controlling factor in the new order of things. If he would but look at the condition of labor in Europe, where these crackpot theories have been put into practice, he would know that the only thing ahead of him is regimented slavery under such a program. In a

program of socialistic regimentation, every individual would have his life determined for him by economic bureaucrats.

Many of these men in these agencies have been failures in every line of business that they ever undertook. These bureaucratic organizations in Washington are full of bankers whose bank failed, industrialists who went bankrupt, and other theoretic failures of every kind and character. This array of human misfits and social monstrosities are assisting in administering the provisions of the Emergency Price Control Act, and other war-power acts, evidently without let or hindrance.

The limited judicial review of orders of the Office of Price Administration, now provided by the Emergency Price Control Act to the Emergency Court of Appeals, is of little value. There should be a general review of both fact and law so that a proper legal construction would be put upon the legislation in question by the courts.

Congress has delegated almost unlimited legislative authority to various executive agencies, and much more authority has been assumed, and Congress has provided no method of correcting crackpot interpretations of law by this group of social reformers.

As soon as these agencies are created, they immediately proceed to promulgate orders, regulations, and edicts for the government of the American people along lines never contemplated by Congress. They immediately proceed to fill the pages of the Federal Register with the greatest conglomeration of economic nonsense ever known in American history. Confusion is succeeded by greater confusion, and nonsense is added to foolishness until the American businessman, farmer, industrialist, and laborer does not know what to do, or what not to do.

These bureaucrats decide that an institution is a war plant, and confiscate such plant for assumed violations of some nonsensical regulation. Tomorrow, they exclude a like plant under the same circumstances, to the utter confusion of everybody concerned. Labor is confused, business is in chaos, and the farmer disgusted and discouraged.

The experience which we have had with the Office of Price Administration and the War Food Administration in the execution of these acts of stabilization control has forcefully demonstrated that it is a dangerous thing for Congress to delegate any of its legislative authority to these bureaucratic agencies.

If we must have regimented control of the American people to avoid inflation, then it is the duty of Congress to provide legal protection for our constituents to protect them against the crackpot socialist parlor-pink theories of this group of human misfits that now fill the bureaucratic executive agencies.

If the administration leadership is not willing to amend the act to provide such protection, then this bill should be defeated.

(By unanimous consent, Mr. WINTER was granted permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DISNEY. Mr. Chairman, at the proper time in the consideration of the bill under the 5-minute rule, I shall offer as an amendment the so-called Disney bill, which passed this House by more than a two-thirds vote in December, and which has since been sleeping peacefully in the Senate committee.

At the outset let me say that I am in favor of this price-control law. It has been said by many people that in the First World War we got along without a price-control statute, but the analogy is not all correct. We spent only \$26,000,000,000 in the First World War. When we conclude now we will have spent between \$200,000,000,000 and \$300,000,000,000 on this war. Turning loose two or three hundred billion dollars of Government money in a Nation of 130,000,000 people, without some restriction or price control would have created run-away inflation. We might be paying \$25 or \$50 for a meal. So we must have a price-control statute; and I voted for it willingly. But it was not easily drawn; it was not perfectly drawn. The whole history of the statute has been convincing to most men that corrections and revisions should be made.

I doubt if we can stick our heads in the sand and say that this thing has done so well, generally speaking, that no revisions or corrections should be made. Slogans do not make economic laws, nor do they overcome economic laws. When it is said that we must "hold the line," while that sounds fine as a slogan, it does not take into consideration inequities that have necessarily resulted from the operation of the law. I have not heard any member of the committee, which patriotically and studiously studied this whole subject, claim that the operation of the law has been perfect in any way, or that there are not certain revisions and changes that should be made.

We are using about 5,000,000 barrels of oil every day. We are producing and importing and drawing from storage about 4,600,000 barrels a day. Of that, more than 100,000 barrels a day are imports. A couple of hundred thousand are drawn from stocks. The demand for oil is going up all the time and producing is at its absolute peak. The Elk Hills bill the other day was proof to everybody that the demand for oil by the armed forces was immense, and will continue to enlarge as long as the conflict ensues. No less person than Mr. Henderson back in 1942 admitted that the price of oil was at a depression. His exact language is in the CONGRESSIONAL RECORD and I have it before me. I do not want to bore the House with reiterating it except that he himself made that admission. You all remember that Mr. Ickes, Petroleum Administrator for War, recommended a 35-cent increase. In the

interest of accomplishing something—I believe the increase should be 50 or 60 cents a barrel, but in the interest of accomplishing something I am offering the so-called Disney bill, which provides for 80 percent of parity, or about 35 cents a barrel, to accomplish something in the interest of an industry that is having a struggle.

There has been a great deal of talk that we cannot do that because the big oil companies are making money. Anybody can say that, but it takes somebody who will take the time to analyze that statement to determine what it means. The big oil companies are making money. They have increased their production. They have put their production at the peak. They have increased their production in another manner; that is, by buying the independents. Now instead of about 50 percent of the production belonging to the independents and 50 percent to the majors, the major oil companies own about 70 percent of the production and are constantly purchasing it, because there is no other market for the independents but the big companies. Bear in mind the big companies made more money in 1941 than they made in 1943. They made \$530,000,000 in 1941. They made \$508,000,000 in 1943, and \$200,000,000 of that went for replacements and the production of the oil.

Then what becomes of that argument? Nobody can say it, but you have to have some integrity to analyze it. Now it is proposed that we have the un-American dishonest system of subsidies in lieu of a price rise. The independent oil men, just as is the case with farmers, hate subsidies. But if you do put on a subsidy who gets the subsidy? The big oil companies get the major portion of the subsidies. I tell you that the majors with 70 percent of the production—just in round terms—with 70 percent of the stripper wells get the greater proportion of the subsidy. So on the one hand the opponents say the big companies are making the money and on the other hand the opponents say the big oil companies are going to get the subsidy.

Let me repeat what I said when I discussed the so-called Disney bill: When you grant a subsidy, a general subsidy, people will not drill for oil, they will drill for subsidies; but do the subsidies for the stripper wells produce any more oil? It simply saves some little stripper wells, and there are thousands of them, two or three hundred thousands of them, but it will not produce any more oil and I tell you we are using 5,000,000 barrels a day and producing, importing, and drawing from stocks about four million and a half a day, or a little more. So that is not a solution of the problem. Oh, they may produce statistics to show that wildcatting has increased. It has not increased to the extent that the Petroleum Administrator for War said was necessary for this year and that wildcatting in large measure is being done by people not in the oil business as a general thing. The Northern Pump Co., of Minneapolis, is out drilling oil wells. If they take a loss they charge it off in taxes; if they strike wells they make some profit. Many manufacturing concerns never in the oil busi-

ness before are out wildcatting recklessly probably with the general expectation they will get tax charge-offs. And as I touch this subject, referring again to the big companies, they are in the high brackets. Where does the money go if they are making so much money? And I repeat they did not make as much money in 1943 as they did in 1941; it goes to Secretary Morgenthau in taxes. I have no brief for the big oil companies. They are the people who held this price down and put us in the slough of the depression when this freeze order was put on. They should have learned better and should have realized that the oil business, big and little, goes up or down together.

I ask you, is the slogan "Hold the line!" an American slogan? If injustice is being done to an American citizen, the independent oilman, is that fair? Is that decent? Is it even common American honesty to cry: "Hold the line!" and sacrifice a vast segment of the American people, legitimate businessmen? Before the Rules Committee I heard a very eminent American, a member of the Committee on Banking and Currency, say: "I hope when the bill comes before the House the pressure groups will not riddle the bill." Is not this the place for the redress of grievances? Is not this the place of all places in America for citizens to come whose rights have been invaded, whose businesses are being destroyed? Is not this the place for them to come and have their voice heard? And do they have to have the rather snooty appellation of "pressure group" applied to them? I hope that appellation will not be used here, especially, Mr. Chairman, when you remember the charts we had before us here, show that oil stands at 60 yet the general average of all commodities in all of America is 103 or 104—nearly 110—these statisticians know better than I about that; maybe 103 is the correct figure but I think it more nearly approaches 110. Where stand the implements, the cost of producing the oil that stands at 60; where are they? Labor is at 175 and 180, and labor goes into every element of production of the expensive machinery the oilmen have to buy.

They cannot produce the oil for you without the high-class machinery, and labor has gone to the top. All other expenses of producing oil have gone up, but oil in the trough at the time of the freeze remains at 60. Your general average is 103. Is that fairness? If it is not, cannot something be done about it? Oh, it is said, it ought to be done administratively. We have exhausted every resource of reason and argument with the administrative powers and to no avail; and this notwithstanding several departments of the Government recommend that a price rise be instituted in the name of common decency and fairness and for the production of more oil.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield for a question?

Mr. DISNEY. Yes; I want to have the gentleman ask me questions; I know the answers.

Mr. OUTLAND. The gentleman, as is usual, is making a very able argument

and presentation. I wish to ask the gentleman for some information. How much money would be involved should the Disney bill be added to the Price Control Act?

Mr. DISNEY. About the same amount, I presume, as the subsidies that the O. P. A. even proposes to put into effect. It will cost some money; it costs some money to be decent, to be fair; it is bound to cost some money.

Mr. OUTLAND. But I am interested in getting statistical information, some specific figures.

Mr. DISNEY. Let me observe there, although I do not want to interrupt the gentleman's question, that it would save some money if you pulled the entire average down from 103 to 60 too; it would save several billions of dollars if you would do that.

Mr. OUTLAND. My question did not carry an implication either for or against the gentleman's argument.

Mr. DISNEY. I understand.

Mr. OUTLAND. It was asked purely to obtain information for the benefit of the membership. How much money would be involved?

Mr. DISNEY. I do not know right off hand. I will tell the gentleman under the 5-minute rule. I am glad the gentleman asked the question. I want the figures to be exact.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. GIFFORD. I want to call the gentleman's attention, or recall it, to the statement by Judge Vinson before our committee to the effect that if we raised the price of oil, changed it, the big concerns would make a great deal of money. He favored paying subsidies, liberal subsidies for the stripper wells. Did the gentleman read that part of Judge Vinson's testimony?

Mr. DISNEY. I know that. The big companies have the majority of the stripper wells. The big companies would get the greater portion of the subsidies. They meet themselves coming back on that argument.

Mr. GIFFORD. Then the gentleman does not agree with Judge Vinson.

Mr. DISNEY. No; I do not agree to subsidies under any circumstance whatever.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DISNEY. Gentlemen have held up their hands in horror at what would result if we should pass this amendment to compel the creator to be decent and fair, saying that all kinds of other white rabbits would rush in to demand equivalent treatment. The first answer is that if there are any injustices being perpetrated on other industries do they not have the right to come to the Congress of the United States and ask to have those grievances redressed? Are they not entitled to that? They are; and there are not many rushing in here. The general run of people are satisfied with this. But submit it to the jury of

the people, would they ask for one commodity to be held down to 60 with the general average up to 103? Would not they suggest some reasonable basis for handling this matter? All right; let us save a lot of money by pulling the general index down to 60 too.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. GILLESPIE. I should like to ask two questions: First, does it not cost more to produce oil from new wells today than it ever did before? And, second: Is not crude oil cheaper than it has been on an average for 25 years?

Mr. DISNEY. The answer to the last question is that the gentleman is correct. The answer to his first question is that it takes about six times as much construction and about five times as much cost to discover the same amount of oil. Your discoveries have been taking a nose dive. The discoveries were up a few years ago, but the discoveries are down now and going down alarmingly, if we are really considering the welfare of the Nation.

Mr. WRIGHT. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman made a rather broad statement. He said he was against subsidies. I take it from that statement that he is against subsidies of all kinds?

Mr. DISNEY. Yes.

Mr. WRIGHT. Is the gentleman opposed to subsidies for the production of high cost copper during the war emergency?

Mr. DISNEY. I knew the copper subject would come up.

Mr. WRIGHT. Is he opposed to subsidies for the production of pig iron that is sorely needed on the eastern seaboard?

Mr. DISNEY. Does the gentleman want my personal opinion?

Mr. WRIGHT. Yes.

Mr. DISNEY. I think it is a mistake.

Mr. WRIGHT. You have to get the high-cost producer into production when you have a greater demand than you have in your normal economy. Now, how else would the gentleman handle the situation?

Mr. DISNEY. By price.

Mr. WRIGHT. Would the gentleman pay a different price to one manufacturer than he would to another?

Mr. DISNEY. What is the difference?

Mr. WRIGHT. That is subsidy, is it not?

Mr. DISNEY. Maybe it is. Maybe that is what the gentleman calls it, but I think the subsidy system is wrong in every particular. That is my personal opinion. I do not agree with subsidies as a system.

Mr. WRIGHT. I have respect for the gentleman's wisdom even though we may find ourselves in disagreement at times.

Mr. DISNEY. I am not as informed on some of these subjects as my friend and other colleagues, but I do know about this subject I am discussing and I am telling you it is not good American honesty to treat these independent oilmen

the way they are being treated and to treat the country the way it is being treated in the matter of the production of oil. You will see a monopolistic system grow up when the independents are driven into the laps of the majors and when that does happen then you will be paying high prices for oil and its products when we get back on a competitive basis.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on the one-hundredth anniversary of the Y. M. C. A.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey [Mr. CANFIELD]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have taken the floor quite a number of times during these many months in an endeavor to make clear to the House the importance of lubricating oil in this war.

Whenever there is a proposal to appropriate billions of dollars for lend-lease and to U. N. R. R. A. to distribute to foreign nations, there is no dearth of emotional oratory to support such proposals.

It is quite a different matter, however, when legislation is brought to the floor of the House asking for a fair price for an essential war material to insure an adequate supply for our armed forces, in the event of a long war.

I maintain that, were it not for our air force, the duration of this war could and probably would be prolonged for a decade. Our heroic infantrymen, who, in the final analysis, will have to win the war in wave after wave going over the top with fixed bayonets, will of necessity suffer a heavy loss of lives, yet that loss of life will be far less if the infantry can have an air force at all times of maximum strength. The greater our air force to support the infantry, the more imperative becomes the necessity for gasoline and lubricating oil.

Oil wells that should be producing the highest test airplane lubricating oil are now, because of the short-sighted policy of the Government, being abandoned at a shocking rate. The pipes and machinery of the abandoned oil wells are being sold as junk.

Mr. Chairman, I want to point out to the Members of the House that in the western part of New York and throughout Pennsylvania, Ohio, and West Virginia there is produced the finest lubricating oil in the world, known as Pennsylvania crude. It is produced by small wells. Probably 133,000 or perhaps 200,000 of these wells are in operation. The producers' costs in producing the oil now

are greater than they have ever been before. They produce on the average, according to the Bureau of Mines, about seven-tenths of a barrel a day. In the case of many of these wells water has to be forced down in holes drilled around the central hole in order to put sufficient pressure in the sand to force the oil to the surface. That is, the oil from which the lubricating oil is extracted. These small producing wells so necessary to supply airplane lubricating oil are being abandoned, as I have said, at an alarming rate.

Why is this? Because a group of bureaucrats refuse to grant a price sufficient to enable the owner of the small stripper wells to pay the cost of production.

We know that the invasion is on in France, where 11,000 or more airplanes are consuming lubricating oil and gas at a terrific rate. Not a fighting plane can be kept in the air unless lubricating oil and gasoline are to be had. Once our air fleet becomes grounded for lack of fuel and lubrication, no man can predict the magnitude of the holocaust. The bureaucrats are more concerned about ramming some sort of subsidy down the throats of the producers, than they are in granting a fair price for oil.

Outside of the invasion now taking place in France, let me point out what an adequate supply of gasoline and lubricating oil means in the Pacific and in Asia.

The Ferrying Command was established in May 1941; the transport and ferry systems of the Air Transport Command now extend over some 110,000 miles of routes. It is reported that in recent months an average of more than 12,000,000 miles a month have been flown in ferrying operations and more than 10,000,000 in air transport. I am told that the Air Service Command supplies 4,000,000 barrels of aviation gasoline per month.

I call attention to the fact that since Pearl Harbor, over 125,000 casualties—sick, wounded, and injured—have been flown from combat zones in American transport planes. It is a matter of record that in the Mediterranean theater from the beginning of the Tunisian campaign in November 1942 to the close of the Sicilian campaign in September 1943, a period of 10 months, more than 25,000 men, with all types of illnesses and wounds, were transported 8,000,000 miles by air. Only one of the patients died.

I call attention to another remarkable achievement: 6 days after the Army hospital in Nome, Alaska, burned down, a new and complete 25-bed hospital had been flown in from a distance of 3,400 miles.

Furthermore, two field hospitals were flown over the Owen Stanley Mountains in New Guinea.

Again, this of this. In Sicily a 50-bed hospital was moved by air 44 miles in 2½ hours from dismantling until it began receiving patients.

It is well to keep in mind that not a person, not a hospital, not an ounce of food or medicine, blood plasma or essential material of any kind can be moved

by airplane without fuel and lubricating oil.

This Congress has known for months that our rapidly depleting stock of oil is endangering our war effort. A shortage of gasoline or of lubricating oil can lose the war. Who are resisting legislation to insure an adequate supply of these vital materials with which to save the lives of our armed forces and to make sure of victory? A group of bureaucrats, who, if their opinion had prevailed on the days prior to Pearl Harbor, would have prolonged the war by several years.

Are our small producing oil wells to be strangled to provide machinery and pipes for those who wish to profit from the purchase and sale of the junk taken from abandoned oil wells?

This Nation has paid a ghastly price in human life, and is still paying for it as a result of the shipment of junk to Japan.

What, I ask, will be the outcome of this war if our production of oil continues to fall at the present rate? How many hundred thousands of boys will pay with their lives for the inept and selfish leadership who are resisting a parity price for oil?

Notwithstanding the charts and printed documents presented to the Committee on Banking and Currency by the O. P. A. in opposition to a price increase for oil, the fact is that more oil wells are being abandoned and at a greater rate now in proportion to existing wells than at any time heretofore. The number of oil wells abandoned in 1942 was 10,541. The bureaucrat's mind always deals with charts rather than facts obtained in the field.

The O. P. A. would destroy 133,000 small stripper oil wells rather than run the risk of having a few large producers who are actually making profits share further in any increase of price which an increase might give them.

I have pointed out on a previous occasion that some 133,000 stripper oil wells in New York, Pennsylvania, Ohio, and West Virginia produce the finest lubricating oil in the world for use in airplanes. It is about time the O. P. A. measured its responsibility by the needs of our armed forces now fighting desperately on the far-flung battle fronts of the world rather than measure it by the sophistry and philosophy of scarcity.

The O. P. A. may feel that there is sufficient gasoline and lubricating oil to win the European war—possibly there is, but, if so, a glance at the requirements for aviation in Asia presents a different prospect. There are too many rattlesnake dens to be cleared out to permit of a short war in Asia.

Why is it that the success of the Allied forces in China has already been delayed? There are many reasons, but one of them has been that 100-octane gasoline has had to be delivered over the hump between Assam and Kunming by the Liberator Express, which delivers 4 tons at a time, but to do so the airplane consumes 3½ tons in making the trip. The very best lubricating oil, such as our stripper wells produce, is just as essential in this service as the 100-octane

gasoline, which would be useless without the lubricating oil.

Are the bureaucrats, who are resisting every effort on the part of Congress to make sure of an adequate supply of gasoline and oil, aware that before a bombardment group can go on one combat flight four trips must be made over the hump? Think of what it means to fight where all supplies have to be flown over a mountain range 17,000 feet high.

I am informed that our Fourteenth Air Force has to be supplied over this air route and that the materials to help equip the Chinese Army and to build and defend China's airdromes have to be flown over this route. A program of oil scarcity as urged by the O. P. A. is to trifle with the lives of our fighting men. Why, when faced with the uncertainty as to the duration of this global war, should the O. P. A. hinder the production of oil?

As late as May 3 this year, oil producers were urged to increase the production of oil in one area alone from 15,000 barrels a day to 65,000 barrels a day. The Congress has no right to be dominated by the O. P. A., when the military are urging greater oil production on the plea that it is now imperative. It is another case of trying to force a subsidy upon the oil producers, instead of granting a fair price under the parity formula.

I hope when this proposition comes up and is presented to you in the form of an amendment by the gentleman from Oklahoma [Mr. DISNEY], you will keep these facts in mind, for I say no man can predict the length of this war, nor the hundreds of thousands of lives that may be lost due to an inadequate supply of lubricating oil and gasoline.

Mr. BROWN of Georgia. Mr. Chairman, I yield 28 minutes to the gentleman from Wisconsin [Mr. DILWEG].

Mr. DILWEG. Mr. Chairman, I wish to preface my discussion on the protest and court review amendment by referring briefly to the task assumed by the House Banking and Currency Committee in connection with the Stabilization Extension Act, which was reported out last Friday, after 40 days of continuous hearings.

Every segment of American life appeared before this committee to contribute its share of testimony in a record which will exceed 2,300 pages. No one can say that the American public did not have its day in court so to speak.

The witnesses who appeared before the committee, without exception, favored the continuation of the legislation. There were, however, material differences of opinion as to what amendments should be made in the law in connection with its extension.

Many of the proposed 125 amendments called for special exceptions to price schedules for specific groups; others for special treatment at the hands of O. P. A.; still others for removal of all ceilings on their particular products and modifications of the enforcement and review provisions of price control.

Each and every amendment received due consideration by the committee,

which set its sights on the general effect of price-control changes. Amendments proposed to correct hardship cases were weighed in light of their general effect upon the stabilization program. This was as it should be, for any substantial relaxation of the program on any broad front would throw it out of balance and set in motion new inflationary forces which could not be controlled.

The committee made a painstaking study of each paragraph and every word of the existing law. Changes which were recognized as far-reaching and perhaps dangerous were promptly voted down. The House committee refused to yield to the importunities of any special interest group. In general, it voted to extend the legislation for 1 year beyond June 20—provided the mechanics to correct hardship cases in the rental field, limited the use of subsidies, and liberalized court procedures under price control by eliminating the present 60-day limit for challenging the validity or invalidity of O. P. A. rules and regulations.

In the committee, I made certain reservations as to my vote cast on a procedural change which eliminates entirely the present 60-day limits upon the filing of protests and upon the amendment to section 204 of H. R. 4941. The reservations which I made were undoubtedly influenced by the fact that as a member of a subcommittee appointed to consider procedural changes I had an opportunity to study the Senate amendments which were reported out by the Senate Banking and Currency Committee.

In the following discussion, it is my intent and purpose to furnish the House with information which I suggest every Member study carefully before casting his vote on the amendments in the committee bill, or any proposed amendments which relate to procedure under the Price Control Act.

H. R. 4941, SECTION 5—PROCEDURE

The bill amends section 203 (a) by eliminating entirely the present 60-day limitation upon the filing of protests. This may be a serious and unfortunate change.

It is of great importance, from the point of view of industry as well as that of the Office of Price Administration, that legal questions with regard to the basic validity of a regulation should be raised and settled as quickly as possible. This is particularly true when, as often happens, several regulations are geared about a basic pattern or a series of regulations are built upon an underlying regulation. Obviously, if questions with respect to the validity of the fundamental pattern or of the underlying regulations can be raised for the first time after the whole structure of price control in a particular field has been fully developed and the industry has become accommodated to it, some of the principal benefits to industry arising from the stability of price relationships will be sacrificed.

It should also be noted that under the original act, although protests directed against the validity of regulations must be filed within 60 days of the issuance of the regulation, protests based upon grounds arising thereafter may be filed

at any time. Thus the 60-day limitation is applicable only to protests directed against the validity of the regulation as originally issued. A protest based, for example, upon an increase in costs which occurred after the issuance of a regulation may be filed at any time after those costs increase occur. There is, therefore, no necessity for the proposed amendment in order to provide for the case of hardship which develops after the issuance of a regulation. The amendment, however, would go much further than this by leaving open all questions with respect to the basic validity of the regulation indefinitely and thus detracting greatly from the stability of price control.

Furthermore, this elimination of any time limit upon the filing of protests would place a tremendous handicap upon both the proper administration and enforcement of price and rent regulations. This would be particularly true in view of section 6 of the bill providing that enforcement proceedings should be suspended during the pendency of a protest and dismissed if the proceeding in the Emergency Court of Appeals is successful. Many people who have been guilty of violations will file protests, not because of serious objection to the regulation but for the purpose of delaying or defeating enforcement proceedings against them. The result would be not only that enforcement would be greatly handicapped but also that the Administrator would be flooded with frivolous protests which would absorb time and energies far better devoted to more constructive activities.

The provision in section 6 that a protest should have this effect only if it is filed prior to the institution of enforcement proceedings, and if it sets forth objections which the court finds to have been made in good faith, would have little or no effect in reducing the volume of such protests, since anyone knowing that enforcement proceedings were contemplated against him would be likely to file a protest in the hope that the court would find that it was filed in good faith. Thus the inevitable effect of this amendment would be to pervert the protest procedure from its original purpose to a lawyer's strategic weapon for use in defending against enforcement proceedings.

The principal objections which have been made to continuation of the 60-day limitation can be met without so drastic a change as its complete elimination. One of the principal objections has been that a defendant in a criminal proceeding who has failed through excusable mistake to file a protest may be convicted and punished without opportunity to challenge the validity of the regulation. This possibility is answered by the amendment proposed in the bill as reported by the Senate Banking and Currency Committee, which provides that in such a case the district court may grant leave to file a complaint in the Emergency Court of Appeals.

It has been urged that this provision should also be extended to damage suits under the act because of the seriousness to the civil defendant of a judgment for treble damages. But the advocates of

this extension of the provision to civil cases forget that the bill as reported by the House committee would allow the courts discretion to fix the damages recoverable in damage suits by consumer or the Administrator at from one and one-half to three times the overcharge. In other words, if a civil defendant has genuine grounds for invoking judicial sympathy, the court can cut in half the damages for which previously he would have been liable. Consequently, there is no longer the need to accord the civil defendant the special protection which everyone recognizes the criminal defendant should have.

Another objection has been that in the early days of price control many people unfamiliar with the provisions of the statute may have lost their right to protest through ignorance of the 60-day provision. This objection, too, is met by the Senate committee bill which opens up all old regulations to protest for 60 days after June 30, 1944. The 60-day limitation has now been so widely publicized, and is so generally understood, that these two amendments in the Senate bill, together with the existing provision for the filing at any time of a protest based on new grounds, would clearly remove any basis for the claim that it is too strict.

ANALYSIS OF SECTION 6 OF H. R. 4941—WHAT SECTION 6 PROVIDES

Section 6 of the bill proposes to amend section 204 of the present act by adding a new subsection. Briefly, this subsection would provide:

First. Any enforcement proceeding brought against a violator of an O. P. A. regulation shall be stayed by the court in any case where the violator has previously filed a protest challenging the validity of the regulation. Such stay must be granted for as long as the protest is pending before the Administrator and for as long as any appeal from the Administrator's decision is pending in the Emergency Court of Appeals or the Supreme Court.

Second. Where no protest to the regulation has been filed before institution of the enforcement proceeding, the court must grant leave to the defendant to file a complaint against the validity of the regulation with the Emergency Court of Appeals if it finds that the request is made in good faith and that there was reasonable and substantial excuse for the failure to file a protest before commencement of the enforcement proceeding. If leave to file such a complaint is granted the court must stay the enforcement proceeding pending disposition of the matter by the Emergency Court of Appeals and the Supreme Court.

Third. If any regulation is declared invalid by the Emergency Court of Appeals, or by the Supreme Court on review by that Court, then all pending enforcement proceedings based on that regulation shall be dismissed and all judgments previously rendered shall be vacated.

Fourth. During the period an enforcement case is stayed the court may in its discretion grant a temporary injunction or restraining order enjoining further violations of the regulation during the period of the stay.

These provisions should be considered in the light of the proposed amendment to section 203 (a) of the act—embodied in section 5 of H. R. 4941—which would abolish the 60-day limitation within which protests against validity may be filed and permit the filing of such a protest at any time.

WHAT THE ACTUAL EFFECT OF SECTION 6 WOULD BE

There is little doubt what the actual effect of the proposed amendment would be:

First. Virtually every enforcement proceeding brought by the O. P. A.—certainly every important one—would be stopped at the outset and held inactive on the court's docket pending exhaustive litigation by the defendant before the Administrator, the Emergency Court of Appeals, and the Supreme Court.

It is hard to imagine any lawyer who would not take advantage of the proposed amendment to obtain a stay of the enforcement proceeding brought against his client. Such a move would be obvious, natural, inevitable. It would at once become the accepted initial step in the defense of any enforcement suit.

In most cases the delay could be obtained automatically by filing a protest before the enforcement proceeding was actually commenced. Normally a violator would be fully aware that an investigation was being conducted by O. P. A. and would have ample time to file the protest. As a matter of fact it has been the usual practice for O. P. A. to call the violator into a conference and attempt to dispose of the matter by settlement before starting an enforcement case in court. Unless this salutary practice were abandoned the violator would thus have notice from O. P. A. itself that enforcement action was contemplated.

In those cases where the violator did not, for some reason, file a protest before the enforcement case was commenced he would still have the right to go to the Emergency Court of Appeals after the enforcement case was instituted, providing only he could show that he was challenging the validity of the regulation in good faith and had some reasonable excuse for not having filed a protest sooner.

Second. The delay that could thus be obtained before an enforcement case could begin would average at least 11 months, in many cases would run to 14 months, and in some cases even more.

The dilatory timetable upon which every defendant could rely runs as follows:

a. Elapsed time between filing a protest and decision by the Administrator now averages 111 days.

This time is necessary for the submission of evidence by the protestant, for the submission of evidence by the Administrator, for rebuttal evidence, for consideration by the Administrator, for preparing the decision and opinion of the Administrator, and so forth. Under H. R. 4941 the elapsed time would certainly be longer. In the first place vastly increased numbers of protests would be filed because of the abolition of the 60-day time limit and because of the encouragement to violators to file protests.

In the second place the provision for consideration by the board of review would add appreciably to the elapsed time before action by the Administrator on the protest. In the third place the protestant would have no incentive, in cases where an enforcement case was pending, to cooperate in obtaining prompt action on the protest. For these reasons the period of delay pending decision on the protest would inevitably be longer than it is now.

b. The period authorized by the act for filing a complaint in the Emergency Court of Appeals after decision by the Administrator on the protest is 30 days.

Undoubtedly the dilatory defendant would wait until near the end of this period, as he would in similar periods enumerated below.

c. The period allowed by the rules of the Emergency Court of Appeals for filing of an answer to the protest is 23 days.

d. The period allowed by the rules of the Emergency Court of Appeals for filing of briefs is 40 days.

e. Setting of oral argument before the Emergency Court of Appeals adds another 10 days.

f. Decision and preparation of opinion by the Emergency Court of Appeals after oral argument averages 50 days.

g. Under the present act the time allowed after the decision of the Emergency Court of Appeals in which to apply for certiorari to the Supreme Court is 30 days.

h. Time necessary for the Government to file brief in opposition to certiorari is 20 days.

i. Period for action by the Supreme Court on petition for certiorari is 30 days.

If the petition is filed during the summer when the court is in recess the elapsed time might run as high as 120 days.

j. If the Supreme Court grants certiorari the filing of briefs, oral argument, and decision would add another 90 days.

The total elapsed time, excluding delay by the Supreme Court because of its summer recess, and excluding the possibility that the Supreme Court will decide to review the case, is 344 days.

Third. The basic concept embodied in the present act, that all persons shall comply with price regulations pending litigation over their validity, has been scrapped in theory and in practice.

OBJECTIONS TO SECTION 6

The serious and far-reaching objections to section 6 are obvious from the above analysis of its actual operation. The basic objections may be stated as follows:

First. The devastating delay to which all enforcement proceedings are subjected would paralyze enforcement operations. It is a truism that justice delayed is justice denied. The legal impediments here thrown in the way of prompt enforcement action are without parallel in the history of Federal regulatory legislation. O. P. A. enforcement is a difficult and gigantic job at best. It could not survive the unprecedented shackles placed upon it by the proposed amendment.

In more concrete terms the effect of the proposed amendment would be felt at the following points:

a. Without question the delay in bringing violators to justice would drastically weaken the deterrent effect of the enforcement provisions of the act. Violators would be willing to run the risk of violation in the hope that the war would be over before they could be brought to account. The normal delays of justice are serious enough. No law can possibly be effectively enforced where a violator is given an automatic reprieve of 11 to 14 months before enforcement action can even be started.

b. If it is impossible to bring the more flagrant violators to justice promptly compliance on the part of others will deteriorate rapidly. Violation of a price regulation by one individual or firm puts enormous pressure on others in that industry, and in related industries, to violate. I understand that the experience in O. P. A. enforcement conclusively shows that, whatever the reason for the delay, a satisfactory standard and atmosphere of compliance cannot be maintained if known violators go unpunished.

c. Stale cases cannot be successfully prosecuted. Witnesses cannot be found. Investigators and attorneys who know the case may leave the O. P. A. or be assigned elsewhere. The facts upon which the prosecution is based have become ancient history. In short the burden put upon the O. P. A. enforcement staff of proving its case 11 to 14 months after the case would normally get to trial would be intolerable.

d. The provision for temporary injunction pending litigation on the protest would not meet any of these objections based on delay. It applies only to future violations. It does not, and cannot, serve the vital purpose of securing prompt and positive action on past violations.

Second. Aside from the question of delay, the proposed amendment strikes down one of the basic principles of price control—that there is an unqualified obligation to comply with price regulations unless and until they have been held invalid. It is absolutely essential to effective price control that price regulations should be fully complied with even while litigation is pending as to their validity. To secure such compliance the Administrator must be able to enforce a price regulation effectively and without protracted delays even though a protest or a complaint as to it is outstanding. It is also essential that people should not be encouraged to gamble on the outcome of litigation by violating a regulation on the chance that it will be held invalid in enforcement proceedings or that a subsequent holding of invalidity by the Emergency Court of Appeals will allow them to escape entirely the consequences of their violation.

The proposed amendment would have one of the most serious consequences which the exclusive-jurisdiction provisions of the statute were designed to avoid. Effective enforcement of a regulation while litigation with respect to its validity was pending would be impossible, because it would be clear that a subse-

quent determination of invalidity would provide complete excuse for all previous violations. The result would be to encourage violations on the part of all those who were willing to gamble on the chance that the regulation might be held invalid. The provision that a temporary injunction might be issued while such litigation was pending would afford no substantial aid to enforcement since it would have no tendency to discourage violation on the part of those not directly involved in the proceedings and since proceedings could be brought only with respect to a small minority of the violations.

Thus the real effect of the provision would be to render a regulation practically unenforceable so long as litigation was pending as to its validity. For reasons already stated it is clear that there would nearly always be litigation pending with respect to the validity of a regulation when enforcement proceedings were brought. Not unless there had been a final authoritative decision on the validity of the regulation as applied to the particular situation of the defendant would it be possible to enforce any sanctions of the act against him. This would indeed make a mockery of the enforcement of price control.

Third. The proposed amendment would greatly encourage the filing of protests and the filing of cases in the Emergency Court of Appeals. The amendment is an open invitation to all violators to postpone action against them by challenging the validity of the regulation. Both the O. P. A. and the Emergency Court would be bogged down by a flood of dilatory litigation. The result will be that cases which merit serious attention will not only be greatly delayed but cannot receive the full consideration they deserve.

Fourth. The proposed amendment would have particularly serious effects in the important field of enforcement of retail and rent controls, where much enforcement activity is carried on by consumers and tenants through the medium of the consumer's damage remedy. It has been recognized by the Congress both in the original drafting of this consumer damage provision, and in the recently concluded hearings on renewal of the act, that this remedy, the people's remedy against inflation, must be kept simple and workable if it is to remain within the people's reach and if the people are to feel encouraged in using it. The discouraging prospects which the proposed amendment would create for all O. P. A. enforcement litigation would be bound to result in a crippling of the remedy. Very few persons of the type who bring these damage suits—housewives, war workers, white-collar girls—would be willing to embark upon litigation if they faced the prospects of delay and complicated legal issues that would be opened up by the proposed amendment.

A PROPOSED SUBSTITUTE FOR SECTION 6

The chief reason for urging an amendment to section 204 is the feeling on the part of Members of the House that the present act operates unfairly in that it is possible for a person subject to a regula-

tion to be prosecuted criminally and punished by a jail sentence even though the regulation may subsequently be found invalid. It is recognized that this aspect of the present act should be changed. But the change should be directed to the specific objection. It should not abandon the basic principle that everyone must be made to comply with the regulations while their validity is being tested.

The original proposal of the Senate Banking and Currency Committee meets the particular criticism in the present act without destroying the whole structure. That proposal—section 107 of S. 1764—as reported, reads as follows:

Section 204 of such act is amended by adding at the end thereof the following new subsection:

"(e) Within 5 days after judgment in any criminal proceeding brought pursuant to section 205 (b) for the violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the district court for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant has been found to have violated. The district court shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection. After judgment in any criminal proceeding brought pursuant to subsection 205 (b), the district court shall stay the execution of its judgment for the violation of any provision of a regulation, order, or price schedule concerning which there is pending a protest properly filed by the defendant in accordance with the provisions of section 203, or any judicial proceeding instituted by the defendant in accordance with the provisions of this section, the stay to continue until the disposition of such protest, or judicial proceeding, and the expiration of the time allowed in this section for the taking of further proceedings with respect thereto. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any criminal proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

This amendment is explained in the Senate report—pages 12, 13—in the following manner:

It is provided in this amendment that after judgment in criminal proceedings a defendant who has failed to file a timely protest to the provision which he has been found guilty of violating may apply to the district court for leave to file a complaint in the Emergency Court of Appeals, challenging the validity of the provision concerned. If the court finds that the defendant's application is made in good faith, and that there is a reasonable and substantial excuse for his failure to file a timely protest, the court is to grant the application and to stay execution of the judgment until after the defendant has exhausted the opportunity thus given to challenge the validity of the regulation. If the defendant is successful in either the Emergency Court of Appeals or the Supreme Court in his challenge to the validity of the regulation, the judgment in the criminal proceeding is to be vacated and the proceeding dismissed to the extent that they are based upon the invalidated provision of the regulation. It is also provided that if the defendant in a criminal proceeding has already pending a protest, or complaint in the Emergency Court of Appeals, attacking the validity of the provision of the regulation which he is found guilty of violating, the district court shall stay execution of judgment until final disposition of the protest or complaint, and shall vacate the judgment and dismiss the proceeding if the defendant is successful in his challenge to the validity of the regulation.

This amendment is not designed to change the basic theory of the statute that there is an unqualified obligation to comply with regulations unless and until they have been held invalid. As this committee indicated in its report accompanying the original act, and as the Supreme Court recognized in its decisions upholding the validity of the exclusive jurisdiction provisions of the statute, it is absolutely essential to effective price control that price regulations should be fully complied with even while litigation is pending as to their validity. To secure such compliance the Price Administrator must be able to enforce a price regulation effectively and without protracted delays, even though a protest or complaint as to it is outstanding. It is also essential that people should not be encouraged to gamble on the outcome of litigation by violating a regulation on the chance that it will be held invalid in enforcement proceedings or that a subsequent holding of invalidity by the Emergency Court of Appeals will allow them to escape entirely the consequences of their violation.

In the proposed amendment, the committee has attempted to give adequate weight to the above considerations and yet to provide against the possibility that a defendant might be punished criminally for violating a regulation which, but excusable failure on his part to file a timely protest, he might have successfully challenged in the Emergency Court of Appeals. In making provision for this unusual case the committee has sought to preserve the essential pattern of the statute and to avoid insuperable obstacles in the way of effective enforcement. Therefore, the availability of the special remedy is limited to criminal proceedings; and in order to present its use as a means of delaying the trial of such cases, it is provided that the application for special leave can be made only after judgment.

The wisdom of thus limiting the amendment becomes apparent when the enormous task of enforcing price and rent control is appreciated. We were informed, for example, that the number of enforcement proceedings instituted each month for price or rent violations has recently been averaging over 700. If in every one of these cases the validity of the regulations could be challenged, even though only to delay trial by contesting the regulation in the Emergency Court

of Appeals, enforcement would break down completely, while the absorption of the operating staff in the resulting flood of litigation in that court would seriously interfere with effective administration. It also seems clear that if compliance is to be effectively secured while a case involving the validity of a regulation is pending, civil remedies, including the treble-damage provision, should not be nullified by a subsequent determination of invalidity of the regulation. It is, therefore, made explicit in the amendment that the pendency of a protest or a complaint is not to be grounds for relief from civil proceeding, and also that a judgment of invalidity in the Emergency Court of Appeals is not to be grounds for relief from civil liabilities which have been incurred on account of violations before such determination of invalidity. If civil remedies were not thus left unimpaired by the amendment, it would undermine the fundamental proposition that price and rent regulations must be obeyed even while being litigated, thus jeopardizing one of the principal benefits of the exclusive jurisdiction provisions of the statute.

The Senate amendment applies only to criminal cases. And it permits a stay only after trial, conviction, and sentence. In other words, rather than allow a stay of the whole enforcement proceeding, it provides a stay of execution of judgment and permits a special appeal to the Emergency Court on the issue of validity.

This proposal avoids most of the dangers in the House amendment. By the limitation to criminal prosecutions it leaves available the civil enforcement proceedings as a method of obtaining compliance pending litigation over validity. In this respect it follows the dissenting opinion of Justice Rutledge in the *Yakus* case, in which the Supreme Court upheld the procedural provisions of the present act. The Senate amendment likewise eliminates most of the difficulties over delay. It provides for a stay only after trial and conviction, so that the delay is not different from that involved in a normal appeal from a district court conviction. And it specifically states, with the modification introduced as to criminal cases, the principle of compliance pending litigation.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. DILWEG. I yield.

Mr. VOORHIS of California. One of my main questions was to ask about these Senate amendments. Do I understand the gentleman that under that Senate amendment a civil action could still be brought and fines collected under a civil action, even though later on it were found that this regulation was invalid? Is that correct?

Mr. DILWEG. That is correct. There is some finality to the basic validity of the regulation.

Mr. VOORHIS of California. In other words, the regulation is presumed to be valid?

Mr. DILWEG. Until it is tested by protest procedure provided under the original act.

Mr. VOORHIS of California. Do I understand the gentleman that under section 6 of the committee bill, the regulations would not remain in full force and effect during the pendency of proceedings which a defendant might start by asking permission to appeal to the emergency court?

Mr. DILWEG. No. If I gave that impression it is a false impression. That is not true. That might be the practical effect, however.

Mr. VOORHIS of California. But the language does not intend it, is that correct?

Mr. DILWEG. That is correct.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WRIGHT. Will the gentleman yield?

Mr. DILWEG. I yield.

Mr. WRIGHT. My question is similar to the question propounded by the gentleman from California [Mr. VOORHIS]. I take it you are objecting to the amendment which was put into the bill by the committee?

Mr. DILWEG. That is correct. I made certain reservations in the committee because I felt—and this was a personal feeling and I am only making the statement for myself—that it would make the job of enforcement impossible.

Mr. WRIGHT. Because of the pendency of a great number of cases?

Mr. DILWEG. That is correct.

Mr. WRIGHT. Even though theoretically the regulations are still retained in effect during the pendency of the appeal, the gentleman feels that they would lose some of their force and public respect because of their being questioned?

Mr. DILWEG. That is correct, and I think it would delay the whole operation of the Office of Price Administration. I think it would delay constructive work on the part of the O. P. A. and cases which merit serious attention will be greatly delayed.

Mr. WRIGHT. The gentleman feels then that the testing of the validity of rules and regulations should either be during the 60-day period or, if after the 60-day period, should be confined to criminal cases? Is that the gentleman's position?

Mr. DILWEG. That is correct. I do want to add that the Senate amendment will open up all old regulations to protest for 60 days after June 30, 1944.

Mr. WRIGHT. I want to compliment the gentleman on the careful study he has given this matter. I think he has done a great service to the House.

Mr. DILWEG. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, I have the pleasure to announce to the House that the Prime Minister of Poland is now in the office of the Speaker, and if any Members wish to meet him, it will be his pleasure to see them.

Mr. GAMBLE. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VURSELL. Mr. Chairman, this is the forum for the American people. That is no news to you Members of Congress. It is the place where the people can address their grievances and file their petitions for relief. The people that I want to speak for in the next few minutes are people who have gone to the wrong place with their petitions and with their grievances. They have gone to the administration in power. They have asked for a loaf and have been given a stone. They have gone to the bureaus set up under this administration, pleading for help in the American way, in an effort to contribute to the economy of the country and to the winning of the war, and they have come away discouraged and depressed. I wish there were more Members on the left side of the House, particularly right now, and I would like to speak rather off the record to them.

Mr. WRIGHT. Will the gentleman yield?

Mr. VURSELL. I yield for a brief question.

Mr. WRIGHT. The question will be brief. Does the gentleman think there are any considerably greater number of Members on the right side of the House than there are on the left side of the House at the present time?

Mr. VURSELL. Well, there is not enough on either side.

Now where are we? We have been over a barrel a great deal of the time. We have voted for billions and billions of dollars rather than be accused of impeding the war effort. I recall that a year ago we who wanted to amend and clarify the O. P. A. Act were charged with impeding the war effort, but we had the courage, in the interest of the people, to write some clarifying amendments into the O. P. A. Act that made it more workable, and for the past year it has operated much better than it did prior thereto, because we had the courage and the wisdom to disregard those who said we were trying to sabotage the O. P. A., and demand that business experience, common sense and a certain semblance of honesty be brought into the administration of the act. Our efforts were beneficial to the American people.

We will be met with the same charge on the floor of this House before this debate is over. There are many amendments if enacted will improve this act. I hope that each amendment, when it is considered, will not be considered politically, will not be considered under pressure, but will be considered on its merits.

I want to speak for a few minutes today regarding the oil amendment which will be introduced later on when the bill is read for amendments. You will recall that we passed, last December, by a large majority in this House, after we had tried every possible way to get consideration for the independent oil operators and people who wanted more gasoline, the Disney bill. Finally after it was passed it went to the Senate, and there it has been held up by the administration and

there is no opportunity for relief, even though this House voted by a large majority for a 35-cent floor and 80 percent of parity for oil. That amendment is coming up again. We need oil and more oil to win this war. As proof of that let me say to you that it was testified to by the Secretary of the Navy, Mr. Forrestal, before the Naval Affairs Committee, speaking for the Chiefs of Staff of the military forces of this country, that it was necessary to come before the committee and ask for a bill permitting them to draw more oil out of the Elk Hills reserve because of the emergency and for the prosecution of the war effort. Keep that in mind when you are confronted with statements by Chester Bowles, an advertising man who has never been able to hold any line except the headlines in the American newspapers, since he was given this job. Think of the enormous quantities of gasoline and oil which are being used today by our Navy and our armed forces and our thousands of planes and tanks and trucks in this invasion of Europe. Add to this use the necessity of gasoline for the power-driven machinery of this country needed to produce the food to win the war and the amount used in the ordinary distribution of the essentials of life and it represents tremendous drains upon our oil reserves. Much has gone into lend-lease. Oh, yes. We can give billions of dollars' worth of oil away; we can furnish 70 percent of the oil for the war effort and ship it to the eastern Mediterranean, as we did a year ago while the British were conserving their oil in the same fight with us; but it will be argued on the floor of this House that we cannot take a chance on letting the oil people of this country make a few million dollars that go to strengthen the economic structure of the country, that go to winning the war, that go toward keeping this country going for the soldiers when they return, and most of which goes into the Federal treasury as taxes to support the Government.

Mr. HARTLEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HARTLEY. Does not this matter of an increase in price to increase production also involve the saving of thousands of stripper and secondary wells that are going out of business today as a result of price alone?

Mr. VURSELL. There is no question about it. Rigs are stacked up all over southern Illinois that ought to be in oil production today; rigs are stacked up all over the United States that ought to be in production today. Stripper wells by the thousand are going out of business and it will be so expensive to redrill those wells that the oil will never be recaptured in the generations to come, let alone oil that is needed even today for civilian use and the prosecution of the war.

Mr. HARTLEY. It is a fact that in district No. 1 on the eastern seaboard in 1943, 12,000 wells went out of production.

Mr. VURSELL. And that is only one district.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I gladly yield to the able gentleman from Michigan.

Mr. CRAWFORD. There is a phase of this oil question that is bothering me very much. We have a situation where the stripper wells are going out of business; I believe the gentleman said, production is not forthcoming and the wells probably will be lost for good. Then we have a condition where certain industries—I should not say industries, but certain units of industries—are engaged in war activities and where they have a tremendous excess of profits, we will say, subject to the excess-profits tax but with a situation governing where these units of industry can take those profits and use them to explore, wildcat, and bring in new production or if they lose deduct the losses as part of their expense. To put it another way, they can use dollars which otherwise would go into the tax box for the purpose of experimenting. If this brings any oil, all right; if it does not, it has not really cost them anything of consequence.

The bringing in of those wells through that type of operation maintains the total production, it carries on exploration, wildcatting, and so forth, and to that extent washes out one of the primary arguments that was fixed in my mind when this question first came up, namely, that the regulation or the law should be changed so the exploratory work could be continued and new producing fields would come into existence. What are we going to do about that situation?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 additional minutes to the gentleman from Illinois.

Mr. VURSELL. The gentleman is quite right. So far we have listened to O. P. A., to a gentleman who has been in the advertising business, who has never been in any other business of any consequence, I am informed, all his life, a gentleman who has been put there as an advertiser to sell the thing the Administration wants sold, until we have got to the point where we are in "boot-leg production" of oil; that is what I term the men who know nothing about oil but who are washing out their taxes drilling for oil.

Mr. Chairman, there are millions of little merchants in this country who want relief and I want to help them. There are millions of men who have their money invested in oil leases and oil royalties, and billions of dollars invested for the production of oil who are looking to this Congress for a redress of their grievances, who are looking to this Congress for aid and a square deal. Let me tell you there is nothing so sacred and so necessary and no judgment so unquestionable in the O. P. A. in running a large part of the business of this country, that the Congress of the United States may have any reason to hesitate or fear to write clarifying and protective amendments into this act which will make it more workable and much better for the American people and for the war effort

for the next year, as we did last year when they insisted we extend the act without amendments. If you are going to win this war, if it is a long war, if you are going to do the best you can for this country you had better start now even though it is a little late, marching the little businessmen and the big businessmen along together and affording some sort of protection to the little businessman. They have in the past held up the specter of Wall Street and charged that stigma to my party, but I tell you that the power of Wall Street has been moved to Washington, as an ally of the present administration where by the combinations of Government and Wall Street monopolistic policies operate in defiance of the interests of the people. Government, in combination with the big meat-packing and dairy-products concerns, works hand in hand and with the great farm-implement companies and every other big business; yet they prate so much about their desire to protect the little people and the little men of this country. It is the little oil men however, who are being driven out of business, gobbled up by the major oil companies. It is our obligation and responsibility, in my judgment, to the people of this country, to them particularly and to the war effort, that something be done and that an amendment be written into this O. P. A. bill providing a fair price for oil, one of the most essential war commodities in this Nation today. Let us take the curse of punishment off of honest business in this country. None of us want to destroy the O. P. A. We want only to see it operate in a democratic, fair, businesslike way, and on sound economic principles for all the people of this country, the people who pay the taxes to run the country, who furnish the sons and daughters to win the war, with the hope that we can keep this country in such shape financially and economically that those sons and daughters will have something to come back too, something similar to what they left when they went into the service of their country.

Let us remove the further threat of an oil shortage by providing an increase in the price of crude oil that will bring about the production we need and must have. Oil is now selling at 60 percent of its value. We only ask that it be raised to 80 percent of parity, only about 35 cents a barrel increase. It would not break the price line. It will still lack 20 points of reaching it.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, I am sure we are all agreed that we must have some kind of a price-control law. It seems to me, however, the enforcement of this law at the present time has been nothing to write home about. I appreciate the fact that the advertising people connected with O. P. A. are making great claims about what they have saved the country in maintaining reasonable

prices. While this may be true, when I went to school we learned something about the law of supply and demand. I am not sure but what this Congress may have repealed that law recently; if they have not, I daresay the Supreme Court, judging by their recent decisions, would insist that it no longer is in operation.

To those people who believe that prices are regulated to some extent at least by the law of supply and demand, I would like to give a few figures. When the war began the farmers in Iowa and the Midwest were urged to increase their production.

Based on the average for the years 1938, 1939, and 1940, here is how they complied with that request:

The production of hogs in 1942 was 34 percent more than the average for the three years I have given. In 1943 the increase was 53 percent.

In 1942 the increase in the production of eggs was 37 percent. In 1943 it was 51 percent.

In 1942 the increase in poultry production was 24 percent. In 1943 it was 44 percent.

I have an idea that this increased production, more than anything else, is keeping down prices. If you have any doubt about that, go ahead and pass any kind of price-control law you like, let the farmers of Iowa and the Midwest generally walk out on you, and see how good your law is.

Mr. Chairman, this increase in production has been accomplished in spite of the restrictions that have very definitely decreased production out there.

In the matter of farm machinery for example, a typical county in my district requested 150 new corn pickers last year. They were allowed 23. That is the situation in Iowa generally.

How does O. P. A. help to get the corn pickers for the farmers of Iowa? Here is the way they helped: We have in my town a company which has been given a quota of 500 corn pickers and they expect to make them. This company went to another concern nearby that happened to have war contracts and asked them to make certain parts for these pickers. The second concern was anxious to do it, although he realized he could not do it at a profit. But when he checked up with the O. P. A., because of his increased labor costs he figured that the cost at which he would be required to do this work would result in a loss. He would actually be doing the work at a loss. He was willing to do it for nothing, but he just could not do it at a loss. That is how the O. P. A. helped production out in my part of the country. That is how this great advertising man that we tell about is keeping down the cost of living.

The people who are producing will take care of the situation. They believe in the law of supply and demand and they will create the supply if you will give them half a chance.

Mr. Chairman, there is another matter I would like to call your attention to. The O. P. A. has discovered an unusual way to enforce the O. P. A. regulations throughout the country. Mr. Emerson, who is administrator for enforcement, has written to the regional administra-

tors throughout the country, sending them a suggested copy of a city ordinance. I understand that some 65 cities in 12 States have adopted this ordinance. I have a copy of it here and if I had time I would read all of it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GWYNNE. Mr. Chairman, this ordinance is directed against anyone who sells or transfers to an ultimate consumer or who buys or acquires for ultimate consumption a commodity in violation of O. P. A. regulations. The general purport is that whoever buys or consumes any commodity in violation of these multitudinous regulations of the O. P. A. is subject to being put in jail and fined. These city councils are being asked to adopt an ordinance making effective the six volumes of regulations which the members of the city council have never seen and that most of the people who try to comply with the ordinance have never seen. It seems to me, Mr. Chairman, that that is bureaucracy running mad.

Mr. JENKINS. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Ohio.

Mr. JENKINS. It is another illustration in which they ask that the courts be opened for their benefit, they can invoke the aid of the courts, but an individual cannot.

Mr. GWYNNE. That is right. Every time there is a crisis in America, some bureau comes in and says: "If you allow the courts to function in our particular case, the country will go to pieces." But who is turning in the greatest performance in America today? Industry and labor. The people who are manufacturing, the people who are laboring, are subject to the courts. They do not get any such immunity as these bureaus call for.

Mr. Chairman, I hope there will be written into this bill an adequate, honest to goodness provision to take care of these kangaroo courts, because, as far as I am concerned, I am getting tired of them.

In accordance with permission given to extend my remarks, I include herewith a copy of a proposed ordinance to be submitted to the City Council of San Diego, Calif., by the San Diego County Consumers' Council. This proposed ordinance has been submitted by Thomas Emerson, Deputy Administrator for Enforcement of the O. P. A., and its adoption is being urged by the O. P. A. on cities and towns throughout the country.

It is hereby ordained by the people of the city of San Diego that the proper allocation of commodities needed for the defense of the United States or for civilian supply and the effective enforcement of the national anti-inflation program are necessary for the effective prosecution of the war, and the welfare of the citizens of this city. It is hereby declared to be the policy of this city in order to assure fair dealing and the prevention and elimination of black markets to cooperate with the Federal Government's price, rationing, and rent-control programs.

Section 1. Any person—

(a) Who sells or transfers to an ultimate consumer, or who buys or acquires for ultimate consumption, a commodity rationed by an order or regulation issued by the United States Government or any agency thereof in effect on the effective date of this act, without taking or giving coupons, stamps, certificates, ration checks, or other evidences required by the order or regulation at the time of the transaction; or

(b) Who uses any such rationed commodity as an ultimate consumer in a manner prohibited by the order or regulation at the time of the enactment of this ordinance; or

(c) Who, as an ultimate consumer or otherwise, possesses, acquires, transfers or otherwise disposes of any ration coupons or any other ration evidence in a manner prohibited by one of such orders or regulations at the time of the enactment of this ordinance, shall be guilty of a misdemeanor and, on conviction, shall be punished by a fine of not more than _____ dollars or imprisonment for not more than _____ days or both, for each such violation.

SEC. 2. Any person who, in selling or offering for sale at retail any commodity or service, or in renting any housing accommodation, for which a maximum price or maximum rent has been prescribed by a regulation, or order, or price schedule issued by the United States Government or any agency thereof, and in effect on the date of the enactment of this ordinance, demands or receives a price or rent in excess of the applicable maximum price or maximum rent in force and effect at the time of the occurrence of the violation, or who violates any other provision of such regulation, order, or price schedule governing selling at retail or the rental of housing accommodation, shall be guilty of a misdemeanor and, on conviction shall be punished by a fine of not more than _____ dollars, or imprisonment for not more than _____ days, or both, for each such violation.

SEC. 3. Any license or permit used by any person in connection with any activity involving a violation of any provision of this ordinance may be revoked or suspended because of such violation in accordance with the procedure provided by law or the revocation or suspension of such license or permit.

SEC. 4. If any provision of this ordinance or the application of any provision of this ordinance to any person or circumstances shall be held invalid, the validity of the remainder of the ordinance and the applicability of such provision of other person or circumstances shall not be affected thereby.

SEC. 5. The provisions of this ordinance with regard to violations of price regulations and orders shall remain in force and effect until the termination date of the Emergency Price Control Act of 1942, as amended by the act of October 2, 1942, or until such other time as the city council may determine. The provisions of this ordinance with regard to violation of rationing orders shall remain in force and effect until the termination date of the Second War Powers Act of 1942, or until such other time as the city council may determine.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

[Mr. SHAFER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. SHAFER asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. DILWEG].

Mr. DILWEG. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I have previously made.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. DILWEG]?

There was no objection.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON of Louisiana. Mr. Chairman, first of all may I say I realize as well as every other Member of the House realizes that it is necessary to have a price-control act. Without a price-control act we would have runaway inflation in this country that would ruin it. However, I am going to relate a typical example of the wrong way in which the Administrator of the O. P. A. operates the act which makes me believe that there are many ways in which the Price Control Act can be amended to aid and help the people of America and still hold down inflation to a minimum degree or maybe even to a better degree than it has been held down up to this time. I make that statement on the ground that it is not necessary to cut off your whole arm if by amputating one finger you can save your life.

Mr. Chairman, I intend to introduce an amendment to the Price Control Act which would exclude all highly perishable fresh fruits, such as strawberries, peaches, cherries, watermelons, raspberries and the like from the Price Control Act. In the first place, due to the highly perishable nature of these commodities it is absolutely impossible to establish a fair ceiling price. In the next place, unless you get an abnormally high price at the beginning of the season you will not have an average base to apply to the abnormally low price that the farmer usually gets at the end of the season. Mr. Chester Bowles admitted to me that over 8,000 commodities were still without price regulations. Certainly these few items would not affect our economy from the national standpoint in any way.

As I see it, a ceiling price on fresh fruits of this nature does nothing to help the war effort, it does nothing to aid price control, it does nothing to stop inflation; but it does seriously hurt and seriously damages and in many instances it has ruined the ordinary business practices, market conditions, and market ways of doing business of many fresh fruit farmers in America.

Mr. ROLPH. Will the gentleman yield?

Mr. MORRISON of Louisiana. I yield to the gentleman from California.

Mr. ROLPH. Is the gentleman familiar with the amendment that the committee added in connection with fresh fruits and vegetables?

Mr. MORRISON of Louisiana. I am glad the gentleman asked that question.

I say, after what I will relate in the examples that I will show this body, that it is impossible for a farmer to depend upon the head of the O. P. A., Mr. Chester Bowles, to use reason and to use common business sense, as far as fresh fruits are concerned.

I will go into detail and give as an example the Louisiana strawberry deal this

year. Incidentally, there are over 20 States in these United States producing strawberries. In my State of Louisiana and my district, particularly, is the largest strawberry-producing section in the whole United States.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Louisiana. I yield to the gentleman from California.

Mr. ROLPH. I know the gentleman has played a great part in the strawberry situation. I attended several meetings in which he participated, and which he called together. I want to compliment the gentleman on what he has done in connection with fresh strawberries.

I would also like to make this observation, that in introducing this amendment we thought we were taking care of the strawberry people, because strawberries is a very important crop in my State of California.

Mr. MORRISON of Louisiana. I thank the gentleman. I appreciate it.

But I want to say to the distinguished gentleman from California who is on the committee that I explained to the members of the committee when I appeared before that body that if they did not put in the Price Control Act the removal of fresh fruits, that the strawberry growers and other growers of highly perishable fruits would not be protected. I am certain of what I say, because I have definite and accurate proof of exactly what has happened.

Florida started shipping strawberries last December in 1943 and practically finished their season before the ceiling price was put on in April of 1944.

When the O. P. A. decided arbitrarily to put the ceiling on Louisiana strawberries in March of this year 15 United States Senators and 30 Congressmen at a meeting appealed and urged and unanimously requested Chester Bowles not to put a ceiling price on fresh strawberries. Mr. Bowles paid no heed or attention to it. I personally asked at that meeting who were the gentlemen who were putting that ceiling price on. Mr. Bowles pointed out a man by the name of Mr. Gismond. I asked him how many acres he farmed. He said he was not a farmer; that he was an industrial expert. I asked, "Do you own a factory?" "No," he said, "I was a statistical expert for the A. & P. chain stores before I came to the O. P. A." They had another gentleman there, and Mr. Bowles said that Mr. Geoffrey Baker was the other gentleman that was placing the ceiling price on strawberries. I inquired of him how many acres he farmed. He said he did not farm. I asked him what he did. He said he worked with General Foods before he came to the O. P. A. I afterward investigated and found out that as assistant to the president of General Foods he received over \$30,000 a year before coming down here to Washington with the O. P. A.

Mr. Chairman, I say that it is perhaps quite a coincidence that down in my district General Foods competes with fresh strawberries, in that they get hundreds of thousands of pounds of Louisiana cold-pack strawberries, and General Foods coincidentally has over a million dol-

lars invested in a plant down in Louisiana. It is also quite a coincidence that the A. & P. chain stores buys thousands of pounds, in barrels, of cold-pack strawberries from Louisiana for preserves which are in competition with the fresh strawberries.

In Louisiana when the fresh strawberry season was on, the ceiling price went on right in the middle of the season. Despite the unanimous appeals from the growers, despite the unanimous appeals of the businessmen, despite the unanimous appeal from practically every individual, including the Rotary Clubs, as well as other civic bodies, and the ministers of that district, the ceiling price went on. But was there a ceiling price on the cold-pack strawberries purchased by General Foods and the chain stores put on with the same effect? No. The ceiling price that the O. P. A. put on was to have reflected 15 cents a pound for cold-pack strawberries which meant that the price could go up or down, depending on how difficult it was to get those strawberries for the cold pack. In other words, I could not help but assume, as a reasonable man, that when the farmer shipped his strawberries fresh in crates, that A. & P. could not make money out of strawberries—that were not preserved—and sold from the shelves of their stores, and General Foods could not make money either unless General Foods secured these strawberries of Louisiana for quick-frozen processing.

However, the ceiling price on cold pack did not stay at 15 cents a pound. When the ceiling price was placed so low as to force these strawberries to the cold-pack processors, namely, General Foods and A. & P. chain stores, the farmers said they thought it was outrageous and unfair, and they began plowing up their strawberries, and lo and behold, the price on cold-pack strawberries, which was supposed to reflect 15 cents a pound on cold pack, went up to 25 cents a pound, because that was the only way that the cold packers, including General Foods and A. & P., knew they could get those strawberries and thereby keep the farmers from plowing them up. Was it fair for O. P. A. to put a ceiling which was unreasonably low on fresh strawberries and yet at the same time put a fake ceiling on cold pack so as to force the strawberries to the cold pack? We had a crop failure in the strawberry crop in Louisiana this season, but did Chester Bowles take this crop failure into consideration in fixing this unreasonably low ceiling on fresh Louisiana strawberries? No; Mr. Bowles did not. However, Mr. Bowles stated that there would be over 1,600 cars produced, and yet there were only approximately 800 cars produced. Not once, time after time, with appeal after appeal that I made to him, would he change that low and unfair ceiling price that he put on those strawberries. Fortunately for those growers down in Louisiana, the unfair and unreasonably low ceiling price did not go on until approximately two-thirds of their strawberries were harvested, so Louisiana growers suffered, but were not ruined completely as a result of Mr. Bowles' unfair ceiling price.

If the raising of fresh fruits in America would hurt the war effort, if it would take men away from shipyards to grow strawberries, I would say let us abolish it, but let us not do it in a back-handed way. In my State and in my district, which I think is typical of every strawberry State in America, for the past 3 years our acreage has decreased many, many acres annually, until today I guess we grow about 35 percent of what we normally produced in the pre-war period.

In Florida without any ceiling price on strawberries this season there was not an increase this year as compared to some of the pre-war average prices. The increase from the 1943 season in Florida, as compared to the 1944 season, was less than 4 cents per pint box, and this was due solely to a decrease in acreage. I personally checked up with the consuming public of America in some of the largest cities where these Louisiana strawberries were sold under the ceiling price, as compared to the price that they paid before the ceiling price was put on Louisiana's strawberries, and I found that in many instances, or in the majority of instances the consumer was paying identically the same price, and in some instances more than before the ceiling price went on.

In Chicago one jobber was selling strawberries for Louisiana growers for \$50 a car. Under the O. P. A. ceiling price set-up they got \$560, of which \$530 did not go to the farmer, and which previously had been going to him prior to the ceiling. Where merchants had been selling at a very low profit, they were increased to 33-percent profit under the O. P. A., and completely took advantage of it. That loss that those strawberry growers took is most important but still not the important matter that is facing those growers today. The O. P. A. act says that nothing in this act or nothing done by the O. P. A. shall be done to destroy business as it now exists or as it has existed or disturb or change usual business practices. Yet with the establishment of that ceiling price, as a typical example, in one fell swoop the O. P. A. destroyed the marketing system that had taken 25 years to establish, whereby the farmers of Louisiana had created a streamlined system of selling their strawberries; such an efficient streamlined marketing system—I do not care how big the grower was or how small the grower was—whereby the grower of 1 crate and 2 pints of strawberries could have and did have the advantage of the buying power of the entire fresh fruit and vegetable industry bidding against each other in competition for his particular amount of strawberries. This unfair O. P. A. ceiling price that Chester Bowles put on, took that advantage away from him in one fell swoop. If the ceiling price remains the same as it has remained this past season in Louisiana, next year our entire efficient, streamlined marketing system of selling strawberries, which is an example for every fresh-fruit farmer in America to follow, will be abolished and will be destroyed.

Do not think that I did not try to get into court, because I did. I started down

there in my own Federal district court in Louisiana. The O. P. A. law said that court had no jurisdiction. I came up here and tried to go in the district court here. I could not do it for the same reason. I even got the Governor of the State and as his attorney and as a Congressman tried to sue in an attempt to get original jurisdiction as representing the State of Louisiana in the United States Supreme Court, because I set out through an affidavit that the strawberry farmers were having their property taken away from them without due process of law. The highest court refused jurisdiction. That is the first time that I knew that our Constitution did not function and people's property could be taken without due process of law.

When I talked to the Chief Justice of the United States Supreme Court when I was filing this suit, he shook his head and said, "You boys in Congress put that O. P. A. act on the statute books. We have to follow the law as you have passed it." I told him I was not in Congress when the O. P. A. act was passed, but believe me I was surely going to try to change the O. P. A. law when it came before Congress again.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Louisiana.

Mr. MORRISON of Louisiana. I still contend that if we cannot get a fair O. P. A. act by allowing our American public or allowing any group of farmers or any person or group of people to go into our Federal courts, we should not have any O. P. A. I prefer the Constitution above all else. But I do not think that is the case because I know that we could have a price control act and that we could have an opportunity in addition to that to go into a Federal court and get a fair trial.

The State Legislature of Louisiana has passed a concurrent resolution asking that strawberries be removed from price control under the O. P. A. along with rough rice and some other products down there, grown in that State. Those men who are in that legislature are close to those farmers and they are close to the men that grow those crops, and they should know what those farmers want.

There is nothing that is going to hurt the people of the United States or the O. P. A. if these fresh fruits are taken out of the control of the O. P. A. Until 60 days ago they were not under ceilings. If winning the war meant putting a ceiling price on strawberries and ruining every strawberry grower in America, I say, let us do it. But a ceiling on strawberries will not help the war effort, it will not do anything but persecute and prosecute and cause a serious financial loss to those old people who are too old to be in the war effort and the young people who are too young to be in the war effort, and it will not accomplish a single good.

I plead with you Members of this House to vote for and support that amendment to take the fresh fruits out from under O. P. A. which is as follows:

AMENDMENT TO H. R. 4941

Page 12, line 18, strike out the word "subsection" and insert the word "subsections"; and on page 13, in line 2, strike out the quotation mark; and on page 13, after line 2, insert the following subsection:

"(h) No maximum price shall be established or maintained under this act or otherwise with respect to any highly perishable fresh fruit, including fresh strawberries, peaches, cherries, raspberries, and watermelons."

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. On behalf of my constituents, I want to mingle my tears with those of the gentleman from Louisiana. I have a large strawberry section in my district. They average 1,000,000 quarts per year from one of the towns adjoining where I live. Because of the shortage of labor last year they planted only two-thirds of the crop. A week ago last Friday night one-half of what was left was taken by the frost. In the month of May we suffered the worst drought we ever had in the month of May, according to the records. Do we want price fixing from Washington under conditions like that? They have put on a ceiling price. I have begged that it be removed, but I am not beggar enough.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I just listened to the gentleman from the South. I have heard many talks like that, and I have heard some like that from Members on our side. I wish the gentleman would tell me, as long as the thing is up now for legislative action, what, if anything, the committee of which he is a member is going to do about it. What are you going to do to relieve these various complaints or to do away with those complaints? What relief are you going to give those people?

Mr. CRAWFORD. That was part of the subject I was going to discuss.

Mr. HOFFMAN. Then I withdraw the question, if the gentleman wants to go into that.

Mr. CRAWFORD. I think I may touch upon that.

Mr. Chairman, I think it can be truthfully said that there is not a Member of this House who desires to enact legislation that will nullify the good effect of price control, but as Members of Congress and as representatives of the people we have before us the complaints from our constituents and from those good people who operate the farms and the industries of our country, and naturally we have to have some concern about their miseries because, after all, if price control is to be effective and if it is to prevent our people from psychologically stampeding themselves as free

economic agents into the use in the open markets of this country of the \$194,000,000,000 of savings, potential buying power, which they now have—I say if the Price Administrator is to have the cooperation of our people in doing that very thing, then Congress and the Administrator will have to pay some attention to the protests of the people. That is what my friend from Michigan [Mr. HOFFMAN] has reference to, I believe, in the question he has submitted. He wants to know what our committee, the House Committee on Banking and Currency, is going to do about it.

My direct answer to that is that the House Committee on Banking and Currency reported a bill and the Rules Committee reported a rule which would provide that amendments could be offered to correct some of these matters—at least, as legislators we would think they would correct them; it may be there are some things that cannot be legislated—and the House yesterday saw fit to amend that rule so that certain amendments could not be offered. So it is not just a question of what the House Committee on Banking and Currency is going to do about this, it is a question of what will the Members of the House and the Members of the Senate, speaking from their two floors, and the conference committee in reporting back a conference report, and final action by the two Houses, and eventually with the bill going to the President, and whether or not he vetoes or approves it or lets it become law without his signature—it is a question of what all of us together are going to do about this, and that is something I cannot answer at the present time, and I am not so sure there is anyone else who can answer that just now.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Yesterday, when the chairman of the Committee on Banking and Currency had the floor, I called his attention to a case which is typical of many, where a company had its ceiling prices fixed as of March 1941, and then on February 9 of this year, 3 years later, the War Labor Board ordered that company to pay \$700,000 in back wages. I ask the chairman of the committee what the House or the committee was going to do about it. If you will read the RECORD, you will see that he said we were not going to do anything about it. I asked the ranking Republican member, the gentleman from Michigan [Mr. Wolcott] what they were going to do about it. I fail to find his remarks in the RECORD today, so I conclude that we are not going to do anything. What are you going to write your people when they put in similar complaints? What are you going to write them?

Mr. CRAWFORD. I heard that colloquy on the floor and I think it is in order to add this to it. When we consider the war powers of the President as reflected through the War Production Board, the Office of Price Administration, and other agencies which I shall not mention, we find that we have set up in front of food producers, processors, and

manufacturers of hard goods, many baffle plates which they in their individual capacities as units of American production cannot proceed against. When they reach certain baffle plates, they are prevented from going further.

The gentleman has referred to one of the cases, and the chances are that particular unit of industry to which he has referred, will eventually face the bankruptcy court. The picture carries into our tax laws, to our prohibition against firms obtaining supplies with which to carry on productive processes. To me it is exceedingly disturbing because I try to comprehend and appreciate what production in this Nation of ours means from the standpoint of employment, if no other, and from the standpoint of making profits which can be taxed so as to bring tax dollars into the Treasury of the United States and keep our Government functions operating. So the problem presented by the gentleman from Michigan is to me a No. 1 problem. How it can specifically be answered without a tremendous showing that answering that problem for that specific unit of industry is directly contrary to the prosecution of the war effort, according to the present concept, is something I do not know.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The Members probably have in their districts many people now jeopardized by decisions affecting many concerns under the Wages and Hours Act?

Mr. CRAWFORD. Yes.

Mr. GIFFORD. They have been determined to be under interstate commerce if they sell coal to somebody that is selling in interstate commerce. And they are collecting a lot of money retroactively. We should be doing something about this matter. Wherever a determination has not been made by a Government agency itself, the punishment should not, at least, be retroactive.

Mr. CRAWFORD. I agree with the gentleman. We had this illustration here on the floor a moment ago by the gentleman from Illinois [Mr. VURSELL], in discussing this problem. When the gentleman yielded to me I pointed out a firm, for instance, engaged in the manufacture of lumber in the raw, semi-processed, we will say, to move, for instance into a fabricated product to be used for building gliders. Under a negotiated war contract they can make what is termed excess profits which become subject to the excess-profits tax take. And before rendering their return for the calendar year or the fiscal year in question, they can take what appears on their books as excess profits and go out and engage in oil wildcatting; and maybe bring in a producer. If so, they win. But if they lose, the potential excess-profits tax which they would have had to pay had they not incurred a loss outside of their regular business goes to pay for the wildcat oil well instead of going into the tax box; and it has cost the company practically nothing to wildcat. On the other hand, we have a procedure con-

necting into O. P. A. where a business unit, for instance, producing civilian goods or war goods, if the owner or proprietor of that establishment overpays an employee who is drawing, say, \$3,000 a year salary, 50 cents or \$1 in salary or wages over and above the amount stipulated by the Government agency, that firm cannot deduct any of the salary of that employee when the firm is arriving at its taxable income. Now can you imagine any more ridiculous situations than these. To me it is utterly fantastic. Yet it comes as a direct result of laws enacted by the Congress. If you try to change either one of those situations, the charge is immediately made that you are trying to emasculate the administration's program; you are trying to nullify the efforts of the Office of Price Administration, and you are trying to prevent successful prosecution of the war, and that you are causing the loss of lives of many of our men. Those are some of the realities we have to deal with.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 additional minutes to the gentleman from Michigan.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GAVIN. The gentleman is inferring that certain people or interests who have earned these surplus profits, that would ordinarily be paid in taxes to the Government in surplus profits, are using that money for the exploration of oil; is that right?

Mr. CRAWFORD. That is what they tell me.

Mr. GAVIN. All right. Now I presume they conclude that it is a privilege which they enjoy as American citizens and as representative businessmen under our system of free enterprise to do exactly that.

Mr. CRAWFORD. They are within the law.

Mr. GAVIN. They are within the law?

Mr. CRAWFORD. Yes.

Mr. GAVIN. What difference does it make if the Chiefs of Staff of the United States Army take \$138,000,000 of the taxpayers' money and go up into the Canadian wilderness and explore for oil and only get 3,000 barrels a day as against a daily production in the United States of 4,250,000 barrels a day? This was costly oil exploration at the taxpayers' expense.

Mr. CRAWFORD. About the only difference I see is that in one case, in the latter case, they claim it is in furtherance of the prosecution of the war effort, and in the first instance it is a case where a man takes a course that may or may not prevent the payment of excess-profits taxes. That is about the only difference I see between the two cases.

Mr. GAVIN. Absolutely. They are speculating and exploring for oil and may get some results and incur profits; and the Government is speculating and exploring for oil. However, in the case of the Government they did not get any oil of any consequence.

Mr. CRAWFORD. That is right, as I understand the case.

Mr. GAVIN. These oil men usually know what they are doing and they do get some oil that goes in as a contribution to the war effort.

Mr. CRAWFORD. Now, let us carry that a little further by going directly to the law as it now stands and as we propose to amend it. I call your attention to the matter on page 11 of the committee Report No. 1593, section 2, where you will find language in *italics*, which reads as follows:

Provided, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods.

That is new language to be inserted.

Now, refer to page 13 of the report in subsection (h) of section 2, where you will find this interesting language, which is now in the law:

The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution established in any industry.

The bill which is now before you strikes from the present law this language which is shown in brackets on page 13:

[Except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.]

The *italics* on page 11 were put in the bill now being considered as the result of my having offered it in committee. I offered it as being in sympathy with the language which is now in the law, subsection (h), and which has been amended by our committee in the bill now before you, by striking out the language which is in the brackets on page 13. If the O. P. A. law is to be construed, and if it is to stand, so that the powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution established in any industry, I feel if that is to remain in the law we should also put into the law the amendment which I offered and which was adopted by the committee, and which appears on page 11 in *italics*.

On the other hand, if subsection (h) is to come out of the law I feel that my amendment with reference to established accounting methods should come out of the law.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. Why do I say that? I take it from a memorandum furnished to the committee, consisting of three and a half pages of single-spaced matter, as to the destructive effects which O. P. A. claims that my amendment would have on the administration of price ceilings.

The O. P. A. took the position that my amendment would virtually destroy the effectiveness of price control. I ask you in all seriousness, does this Congress want to give O. P. A. the power to ignore established accounting practice in the setting of price ceilings in the determination of cost in the steel industry, the

textile industry, the sugar industry, the flour milling industry, and all the other numerous industries we have in this country, wherein established accounting practice has been in operation down through the years, and through which commercial banks of this country loan billions of dollars of commercial loans?

When you go into a bank to arrange a line of credit they say, "Let us see your certified balance sheets and operating statements." Why? Because the banks accept the certificates made by those professional men who qualify as certified public accountants under the laws of the States of this country. The O. P. A. takes the position, and here is their own statement:

The agency maintains a staff of trained accountants whose advice is sought and followed on all matters pertaining to cost calculation. If the amendment means nothing more than that the elements of cost required by O. P. A. to be used in its formulas for the computation of ceiling prices should be computed in accordance with established accounting methods, then the only substantial effect of the amendment would be to inject a new source of controversy into the price-control program.

If O. P. A. is recognizing established accounting procedure, wherein do you inject a source of controversy by saying in the law that that is what they shall do? If you do not want them to accept established accounting procedure or to follow established cost practice or business practice in this industry, I say if you do not want the O. P. A. to recognize those established things, then that means that we are proceeding to give O. P. A. the power to set up a new course for industry to follow. If we give O. P. A. the power to do that, then why should we condemn the O. P. A. for doing some of the things we are now condemning them for? Why do we not straighten out this law and let the people of this country know that the Congress has given O. P. A. the power to do these contrary things, and give the people to understand that we are going to back up O. P. A., and through this process get rid of some of these miseries which the people send to us and if the people then disagree with us, give them the chance to get rid of us.

I said to the attorney for the O. P. A., "As far as I am concerned, I am ready to face this thing right on the nose, and let Congress know exactly what is going on and if it wants to change the situation, very well. If we want to approve of what you have done up to date, then let us tell our constituents that they have no remedy, that O. P. A. has this power, that we propose to back up the O. P. A. in this course, and that we do it as a war measure, and if it destroys your industry, then your industry will have to be destroyed—your unit of industry has got to be destroyed if it cannot adjust itself to O. P. A. regulations authorized by the law."

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JENKINS. How could they figure what the reasonable cost is if they do not follow the established accounting practice?

Mr. CRAWFORD. Unless they follow established accounting practices they have to proceed in what many will claim an unfair and arbitrary manner with O. P. A. setting up their own price ceilings, and their own cost formulas based on the base period performance just as you will find they did in the Vinson order of November 16, 1943, and amendments and supplements thereto. I have no criticism of these documents which are official, because in my opinion the law which this Congress approved authorized the Director of Stabilization and the O. P. A. to issue these releases. If we authorized them to do it, why should we complain about it? If we do not want them to do these things then let us change the law so that they will not be tempted to do them, and thus eliminate certain miseries of our people. But, be prepared for the consequences.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. PLOESER. Why would O. P. A. fear established accounting procedure?

Mr. CRAWFORD. Because established accounting procedures interfere with the concept which O. P. A. has incident to the stabilization of prices, ceilings, and prevention of abnormal profits.

Mr. PLOESER. Did they at any time during this argument tell how many of their general orders or if any of their specific price orders would be affected by it?

Mr. CRAWFORD. I understand if this amendment of mine is kept in the bill they will have to change 168 price orders and revamp the whole procedure incident thereto.

Mr. PLOESER. Will the gentleman yield further?

Mr. CRAWFORD. I yield.

Mr. PLOESER. Does that mean that the O. P. A. admits that they have 168 general price orders in which they have deliberately attempted profit control instead of price control?

Mr. CRAWFORD. I would not go that far, but the complications and intricacies are such that they took the position with me that recognizing my amendment would force them to change the entire concept of price ceilings to the extent of 168 orders.

Mr. PLOESER. Are we to interpret that the O. P. A. admits that in 168 general price order instances they have deliberately ignored established accounting procedure on cost?

Mr. CRAWFORD. Let me answer that directly in this way:

O. P. A., however, uses the base-period-cost formula far more frequently than the current-cost formula.

What does that mean? It means that instead of using your current costs in a particular unit of industry which you represent, they set up an arbitrary base-period-cost formula in which they determine the cost of a product to which they apply price ceilings, and under which you have got to operate and dispose of your goods, letting your profits be affected accordingly.

Mr. PLOESER. If they use a cost formula based upon a base period, and

along comes the War Labor Board and effects some salary increases, and along come other adjustments in material costs, in rents, in other basic costs of any industry, in taxes, how in the world can O. P. A. go back a few years and say, "We are taking this base period which must apply to all time"? Every sensible businessman of the country operates on the basis of cost, which runs according to formula but it is a flexible formula.

Mr. CRAWFORD. This illustrates what you are up against if you are out here trying to run an industry. Listen to this language:

"The current-cost formula"—and this is from Mr. Fields, attorney for the O. P. A.—"The current-cost formula, with its 'squeezed' margin, calls for the constant reexamination of regulations since changes in current costs require changes in margins if prices are to be kept in line with those prevailing in the base period." Because they use elements of cost different from those used in ordinary accounting operations, all base-period-cost formulas would be open to attack.

Do you see what I am driving at? The industries of this country are operated through what is now understood to be accounting control. For instance, you may be operating an extractive industry. For instance, guayule rubber that we have illustrated out here in the reading room, where you extract something. That depends upon laboratory control; but the final and total operation of that particular unit of industry depends upon accounting control, which ties in to the relations of management with stockholders, and the relations of the corporate structure with commercial banks and commercial loans. We are dealing with the intestines and vital organs of American industry in connection with this O. P. A. operation and we might as well have a showdown on this now as at a later date. If we desire to subject industry to this type of treatment, in behalf of the successful prosecution of the war, and let the economic consequences be what they may to industry when eight or nine million new workers come back and ask for a job in the post-war period, then let us be ready to take the consequences. On the other hand if we want to sit here and debate and understand this thing and design a program which will effectively prevent wild inflation as the result of the people using the buying power, and at the same time coordinate that in the operation of our industries so that we will protect industries as well, I think that is what we should do, and I think we have the intelligence to do it. So let us endeavor to be constructive in all phases of this approach.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has again expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Chairman, for the past few days we have all been at our radios as much as possible, absorbing every word that comes over the waves, the smallest detail being of greatest in-

terest to each of us. We anxiously await any word that will show our gains and progress. The news commentators and reporters have done a remarkable fine job in giving us a vivid picture of what is taking place. Of the most paramount concern to the individual and community is the local boys who are participating in this, the most stupendous battle in the history of the world. The family and friends of Coast Guard Man Shelby B. Smith, of Mount Rainier, Md., were thrilled this morning in hearing his voice in a broadcast from England, over Station WTOP, Washington, D. C. Mr. Smith served as chief photographer's mate on a large transport which made two trips to the invasion coast, and as he was the first Coast Guard man to return to England from the invasion, he was selected to describe the landing in an overseas broadcast. I do not know just what his duties were on board the transport, but having known him since his childhood, I do know that he made as good a showing as he has done in all his past endeavors. I know it is a great source of consolation to his wife, mother, and father that in the midst of what must have been a veritable hell on earth, his thoughts on leaving for this great adventure were directed to the spiritual, for he made reference to his chaplain's parting words.

This, I am sure, typifies the thoughts and feelings of all our boys, and this being their attitude, God must be with them.

(Mr. SASSCER asked and was given permission to revise and extend his own remarks.)

(Mr. MORRISON of Louisiana asked and was given unanimous consent to revise and extend his own remarks.)

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I had the pleasure of serving for some time on the Committee on Banking and Currency, and I want to testify to the diligence and the hard work and the long hours that committee gives not only to the present bill under consideration but to all measures which come before it. I had the honor and pleasure of serving under a great chairman, recently deceased, a very beloved man, the Honorable Henry Steagall, of Alabama. Now we have another great chairman presiding over this committee, the gentleman from Kentucky [Mr. SPENCE]. We have had disagreements among the members as to the policy underlying our legislation, but I think this is only quite natural. I feel they have all been honest disagreements and I respect the integrity, the honesty, and the fairness of those members of the committee who have taken a position opposite to mine. I have always been interested as have all the members in O. P. A. and in the price-fixing program. I believe it has been necessary to preserve our economy during this greatest of all wars. I have always supported it and I intend to support it now. I am not, however, blind to certain inequities in the program and I know that certain individuals and certain types of business have

been hurt. Some of this hurt has been unavoidable; it has been a necessary although unfortunate result of the war. Some of it I believe has been avoidable and I think it is our job in Congress to do what we can to correct it, still keeping in mind all the time the necessity of preserving the control of prices. I was very happy to see several provisions introduced in this bill which I believe are of importance. One of them provides for a review by the Committee on Banking and Currency of the activities of O. P. A. I had spoken about this several times with the gentleman from Kentucky [Mr. SPENCE] and I knew he was interested in it. The gentleman from New Jersey [Mr. KEAN] suggested that this be done in a broadcast in which the gentleman from New Jersey and I engaged in a discussion of O. P. A.

There have been some rather trenchant criticisms in some minority opinions in recent decisions of the Supreme Court concerning the fact that we, as a Congress, are delegating our legislative powers to various administrative branches of the Government. I think it is unfortunate that we have done it. To a certain extent, however, we have done so in providing for activities that we cannot do ourselves because of the complexities of the legislation, because of the vast task which we as the legislative branch of the Government are confronted with, because of the necessity of these various bureaus passing on not only thousands but millions, of difficult cases. We in Congress cannot administer O. P. A., we are not geared to do it, we are not trained to do it, we are not staffed to do it. There is, however, the danger that we are surrendering our legislative functions to an administrative arm of the Government and thus are throwing out of balance that division of power which was supposed to exist among the three branches of Government: The executive, the legislative, and the judicial. I believe the best way we can keep our control of these administrative agencies is by provisions similar to those the committee has very wisely written into the bill requiring the various administrative agencies to come before legislative committees either when complaints have been made about some of their practices or at stated intervals even in the absence of complaints, when they will discuss with the committee the way they are operating, and the committee will have the opportunity of venturing suggestions, and corrections. Sometimes these altercations may result in the committee's being better informed as to the work of the agency. Sometimes they will undoubtedly result in the correction of abuses in administration. It has always struck me as being a very vain and futile thing for the Members of Congress, including myself, to indulge in the practice of making speeches from the floor of the House about some specific activity on the part of one of the agencies when we could, by doing what this committee intends to do, bring the very same agency before us and correct the abuses about which we complain.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. SCRIVNER. Along that very same line the gentleman may be interested in reading the trans-Atlantic edition of the Daily Mail of May 31, on page 11, where he will find a heading reading: "England's bureaucrats checked." In this article they announce that they have developed in Parliament a supervising committee to do much I believe the same thing the gentleman now proposes to do.

Mr. WRIGHT. I thank the gentleman for his contribution. I may observe, however, that there are some fundamental differences between the British system and our own. After all, their bureaucracy is the servant of the Parliament whereas ours is a part of the executive branch of the Government.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from California.

Mr. VOORHIS of California. I should like just to observe that on the first day of the present session of Congress I dropped a little resolution into the hopper providing that all standing committees of the House should have as part of their functions a continuing review of the work of any governmental agency as to which those committees had passed legislation. This, I understand, is precisely the thing provided in the present bill with reference to the relationship between the Committee on Banking and Currency and the O. P. A. I think it is very proper and only wish the same sort of thing may eventually apply to all committees. I believe it will be a very helpful procedure and much better than the present system of appointing special committees with their fireworks. I hope we may establish the precedent in this bill.

Mr. WRIGHT. I thank the gentleman and agree with him completely. I believe this is a job in which Congress possibly has been remiss in the past; but the remissness is quite natural because in recent years the legislative task has increased in complexity and increased in magnitude. I believe the membership will agree with me that a Congressman can spend all his spare time, all the time he can take from his office, from his work on the floor, from his work with the committees, and from his work for his constituents to read and study our Government and still be able to know thoroughly only a very small portion of it. It is consequently necessary that we do delegate some of our work to these various bureaucracies. I do not see how we can run our Government if we do not. On the other hand, if we keep these various agencies coming periodically before the Congress and subject them to review, subject them to questioning, we keep our finger on the pulse of government and keep that control over the Government and over the law-making function which the founders of our Constitution originally intended. I think the committee is to be complimented upon this step.

When the gentleman from Michigan [Mr. Wolcott] was speaking yesterday,

I asked him about one inequity in O. P. A. which I think we might try to correct. I understand the power of O. P. A. to distribute rationed commodities does not derive from the O. P. A. law but, rather, from the War Powers Act. The O. P. A. has taken the position that where there has been a violation of O. P. A. regulations, price ceilings or otherwise, they have the right under the War Powers Act to suspend the license of any firm or individual to deal in rationed commodities. Their argument is that such a person or firm is an unfit conduit or an unfit distribution agency for scarce commodities and I think there is some justice in their position. The gentleman from Michigan [Mr. Wolcott] seems to think that is usurpation, and I am not going to quarrel with him on that. I can see the argument both ways, but nevertheless it has been the prevalent practice that the O. P. A. has suspended or taken away completely the license of firms and individuals to deal in rationed commodities because of violation of price ceilings and other O. P. A. violations. The unfortunate part of this entire procedure is that the O. P. A. in performing this function is not subject to judicial review. We have had several small packing plants in the vicinity in which I live that violated the price ceiling regulation at a time when it will be remembered that everybody agreed there was discrimination or a hardship worked upon the small nonprocessing packers because there was no ceiling on livestock and they had to purchase in competition with the larger packers who also did certain processing work with the byproducts of meat and were able to make out because they utilized the entire carcass.

These firms did violate the price ceilings. However, if they had kept the price ceilings they would not have been able to stay in business, and I am not excusing them for the violation. I feel they should be punished. But it was proposed by gentlemen in charge of the hearing—I do not know whether it was a referee, hearing administrator, or whatever his title happens to be who held the hearings in these cases—to remove entirely the licenses of these packers to deal in meat for the duration of the war. When the matter was taken up with the central office, I am very happy to say that this drastic sentence, this death sentence, upon these businesses was not carried into effect.

Mr. Chairman, I can see the possibility of injustices being worked from time to time. I am not proposing that this power to suspend licenses to deal in rationed commodities be taken away entirely from the O. P. A., but I do think it would be very helpful if a judicial review be provided for such action on the part of O. P. A.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. VOORHIS of California. Does the present bill carry any such provision as that?

Mr. WRIGHT. It does not. I was coming to that, if the gentleman will bear with me for a moment.

I understand that any amendment which might affect powers which the O. P. A. derives not from the O. P. A. Act itself but from the War Powers Act might be subject to a point of order. However, I am glad to note that in the Senate an amendment was adopted, which is now in the Senate bill unless it should be removed by later action, providing for such judicial review. When any business has its license to deal with rationed commodities suspended because of violation of the price ceiling, the amendment which was offered by the committee in the Senate provides that the district court of the district shall have jurisdiction to enjoin or set aside in whole or in part or modify the action of the O. P. A. if it is too drastic. This amendment thus limits the orders of suspension issued by the Administrator pursuant to section 2 (a), and so forth, of the act entitled "The Second War Powers Act."

Mr. HOFFMAN. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Why not permit those who protest these decisions the opportunity to test the validity of these orders. Why not give them the opportunity to have declared invalid the act or regulation which has been set up? Why not let them test that before they have been convicted?

Mr. WRIGHT. My understanding is there is a provision in this bill which has been reported to the effect that if there are any cases pending in court, even though the 60-day period has elapsed during which the original act provided you could test the validity of the order, if there is a pleading of the invalidity of any order of the O. P. A. in any proceeding in court, there shall be a preliminary determination by the court as to the validity of such order, which may be appealable to the Emergency Court of Appeals.

Mr. HOFFMAN. That is in the Smith amendment.

Mr. WRIGHT. No; that is in the committee amendment.

Mr. HOFFMAN. I would like to see it. Perhaps the committee has taken the Smith amendment. It is not in the original bill.

Mr. WRIGHT. I am not on the committee, but I think the committee has taken what is best out of the Smith bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. Edwin Arthur Hall].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, when this bill is read tomorrow, at the proper place I shall offer an amendment which embodies the provisions of H. R. 1359, a bill I introduced last year that received wide publicity and favorable editorial comment from newspapers all over the United States.

I will read this amendment at the present time which is one to curb the powers of the O. P. A.

After line 2, of page 11, add a new paragraph as follows:

"(h) That no person who violates or who is alleged to have violated any provision of a regulation or order issued by the Price Administrator of the Office of Price Administration shall be subject to any penalty or sanction or the withdrawal or denial of any benefits, rights, or privileges, or otherwise be subject to discrimination, unless such penalty or sanction, or the withdrawal or denial of such benefits, rights, or privileges, or such discrimination, as the case may be, is specifically provided by law as a sanction for such violation or alleged violation."

As my district is as American as all the rest, I presume the complaints I receive from the Americans I represent must be somewhat the same as other Members of this House. If these same complaints come to the attention of others, I have no doubt that they will look upon this amendment as a guaranty to the American people of the preservation of their fundamental rights.

There is a deep concern today back home over the growth of power of those in administrative capacities of our Government. As long as I am in Congress, I feel it incumbent upon me to fight such growing abuse, inevitable as it seems to be.

The Office of Price Administration has been granted too much power. The people at home are not satisfied with such a condition, especially since they have faced this war with a voluntary, patriotic attitude which is admirable to see. They do not have to be pushed around to take steps to win this war.

O. P. A. has made thousands of regulations, many of which are impossible to comply with. Yet, in this bill there is authority to impose any penalty or take any steps the Administrator deems necessary to carry out his acts.

Such authority will be unconstitutional even though it gets through Congress. Such regulation should never be accompanied by penalties because they will be extended to everyone in the country.

There are nearly 3,000 lawyers in the O. P. A. program. I do not pretend to be able to stop them from regulating. But the Hall amendment will stop them from imposing penalties upon the people and I hope the House will approve this last-ditch attempt to save the rights of our citizens.

(Mr. EDWIN ARTHUR HALL asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, the bottleneck on the crude-oil supply for the Nation and the war effort must be broken. The oil situation in this country is a very serious one. The Nation now realizes this fact, for the Nation feels a shortage.

We have been arguing with the Office of Price Administration since October of 1941 to secure relief for the producers of crude oil. The prices were frozen on oil at artificially low levels in October 1941, and, although it is readily admitted and recognized that material costs and labor costs have advanced some several hundred percent, no relief has been afforded to producers of petroleum to meet these increased costs.

No one can question the patriotism of the oil producer because they have been steadily producing the oil necessary to meet not alone the consumer demands but the demands for the war effort, and certainly it must be recognized that they are entitled to some consideration.

In my district, they are not securing the lifting costs on the oil, with the result that they are unable to meet the competition created by industries and the oil-field worker abandons the leases to secure more money and the lease owner abandons the lease because of his inability to secure men, with the result that hundreds of leases in my district that formerly produced oil are abandoned and hundreds of lease owners have scrapped their equipment, sold the material for junk, the oil in the earth is lost, and the consumer and the war effort must suffer.

Pennsylvania lubricating oil is in great demand by the Army and the Navy, for planes, tanks, jeeps, and guns, and it is a known fact that the refiners in my district are unable to get a supply of oil to meet the demands that are made upon them. The production is down approximately 15,000 barrels a day, and this runs into 450,000 barrels a month—a sizable contribution, particularly during this critical war period—and all because of the failure on the part of the Office of Price Administration to handle this matter in a fair and impartial and common-sense manner. Refiners in my district are operating at 75 percent capacity and begging producers for oil.

I might say that the Pennsylvania field is one of the small oil fields of the country, and it is off about 450,000 barrels a month. The refiners in my district are operating at 75 percent of capacity and begging the producers to get more oil.

The Congress of the United States delegates to the executive departments in the Price Control Act the authority to regulate prices; but it also imposed the duty of safeguarding and stimulating the supply of essential commodities and materials. As to petroleum, the obligation has been ignored by the Office of Price Administration. We have had excuses, delays, evasions promises and dodging of the issue. The oil reserves of the Nation have been drawn upon to capacity. Military demands increase daily and the consumer's supply is being continually lowered. The only program the Administration offers is more and more rationing. It never stops to think it might be able to stimulate production and increase the supply. This approach has been ignored completely.

The responsibility for our present condition in petroleum is fixed. There can be no shifting of the blame. The Members of the Congress in ever-increasing numbers have, for the past 3 years, been making an effort to persuade the Office of Price Administration to recognize the facts and take some action. Individually, and as committees, they have taken the case to the Office of Price Administration, and to the Director of Economic Stabilization, and the President, himself, has been given the facts.

Under our form of government, there is a method of correction for every injury to a people.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman is well informed on the oil situation. He is so recognized by the Members of the House. Is he acquainted with a directive, as I understand it, issued today by Mr. Fred Vinson regarding the increased price of oil on stripper-well production?

Mr. GAVIN. No; I am not acquainted with that directive. What is the directive about, may I ask?

Mr. PATMAN. I do not know; I have not seen it. I imagine the gentleman has seen what was proposed in the past.

Mr. GAVIN. No; I made an effort to secure the O. P. A. proposal from the Economic Stabilizer, but he did not feel at liberty to give it to me, so I am not aware of just what the proposed recommendation may be.

I have been waiting, I might say to the distinguished gentleman from Texas, for the past 2½ years to get some action such as he indicates is being considered today to give relief to these oil producers who have been on a starvation diet for the past 10 years and I insist must have some help. I recognize the fact that the Office of Price Administration intimates that they are economic casualties, that they are just little producers of little or no consequence, and therefore they are just a wartime casualty, but the little producer and small businessman has been the backbone of this Nation and he must have help, and therefore I am pleased to hear the gentleman from Texas say that some action has been or will be taken by Economic Stabilizer Judge Vinson to afford them relief.

Mr. PATMAN. A Member of the House told me awhile ago it was issued this morning. I am not at all sure myself.

Mr. GAVIN. I tried to find out just before I came on the floor, but I could not secure any information as to what action had been taken.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Illinois.

Mr. VURSELL. It just strikes me that if they were going to give any relief to the little people through this measly hand-out of subsidies they might have done it 4 or 5 months ago, and not let it come right to the crucial moment, in an attempt to defeat the interests of the oil people, by releasing it now, the day this amendment is to be effected.

Mr. GAVIN. I wish to thank the gentleman from Illinois for his contribution.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Arkansas.

Mr. HARRIS of Arkansas. It is my understanding that it is not necessarily lifting the price freeze so far as the stripper wells are concerned, but the order that was issued—or reported issued today—is to provide a subsidy. It is to take care of whatever price the O. P. A. puts on the stripper wells or any other well, and in determining what well is a stripper well, the cost of production and any other cost that might go with the particular

well and field must be presented. That would require a force of tremendous size—to determine whether a well is a stripper well or not. The price freeze is still in effect and only those who can comply with the complicated requirements can get relief.

Mr. GAVIN. I am sorry I cannot reply to the gentleman from Arkansas because I have not seen the proposal of the O. P. A.

We hesitate to be critical of the Office of Price Administration and the Members of the Congress are anxious to cooperate to the fullest extent of their ability to do so with the instrumentality created by the Government for the purpose of controlling of prices. However, when we have been ignored it becomes necessary that other methods be taken to impress upon the Office of Price Administration that some consideration must be given this very important problem.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Kentucky.

Mr. SPENCE. I have been in communication with the Office of the Director of Economic Stabilization, Judge Vinson, and no such directive has been issued as has been described here.

Mr. GAVIN. No such directive has been issued?

Mr. SPENCE. No. That is what they tell me. They are contemplating some action in the matter, but nothing has been done.

Mr. GAVIN. They have been contemplating some action, I will say, for many months, but the oil producer has lost faith and has about reached the point of utter exhaustion. Gentlemen, these small oil producers must have some help.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GAVIN. We have been very patient with the Office of Price Administration. I might say that the stripper well producer represents 200,000 out of 400,000 wells in the Nation. He is producing about 20 percent of the over-all oil picture or about 750,000 barrels a day; a very sizable contribution of oil and refined products to the people who are crying for gasoline, fuel oil, and oil to meet the needs and demands of the war and domestic consumers. The oil producer cannot get the lifting cost of the oil and therefore our appeal is a just one. The O. P. A. is charged with the responsibility of stimulating production to meet the needs and demands of the war, but they have not been doing it. However, when we have been ignored as we have been, it becomes necessary that other methods be taken to impress upon the Office of Price Administration that some consideration must be given this very important problem.

This is a case where the direct representatives of the people must act. This is a matter that is above political partisanship. The man who walks and leaves his car in the garage to become worthless because of lack of use, and the

fellow who needs a few gallons of oil to heat his home, and fathers and mothers who want some attention paid to the future needs for petroleum for their sons in the battle zones, are not concerned whether it is Democrats or Republicans who keep the oil producer from increasing the supply; they want us to produce oil the same as we produce everything else to meet the needs not only of the men in the fighting zones throughout the world but to afford relief to the consumers who are making their contribution in the war industries throughout the Nation.

And it must be recognized that the American people have been patient. The oil is available, the oilmen know how and where to find it, and if the price incentive is offered, or at least producing costs, there is no question but what we can increase the crude output of the United States to meet the necessary demands that are now being made upon us.

I want to state to the Members of the House that this matter has not been given the consideration by the Office of Price Administration that its seriousness entitled it to. All we hear is the price increase on petroleum would destroy the entire national economy and probably prolong the war. Every day sees the Nation's oil reserves being rapidly depleted. Every day we are drawing on our vast inventories to a point where it becomes a serious question as to how long we can carry on.

The time for action is here to increase the supply of oil and not permit further bungling. We need more oil and not more rationing. We need action and not theorizing. If we continue to deplete our reserves and we wake up to find ourselves without the oil to fight this war, someone will have considerable explaining to do.

This matter has been up before the Petroleum Administration for War, the Economic Stabilizer, the Office of Price Administration—and I have personally concerned myself to present this matter to everyone who is in an executive directing capacity—in an effort to convince them that something must be done to help the producers of oil.

To date we have had no definite action to stimulate and increase the production of oil. It becomes increasingly evident that legislation is necessary to bring the Office of Price Administration to the full realization that they must act to increase the Nation's supply of oil.

(Mr. GAVIN asked and was given permission to revise and extend his remarks in the Record.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. Mr. Chairman, I believe that every right-thinking American is anxious to have our price regulations and stabilization program continued for the duration of the war. I can hardly believe that anyone who has made a thorough analysis of the conditions which prevail now, as compared with those which existed during the last World War, would want to scrap our price-control set-up.

It is my opinion that the great majority of the individuals who work in the Office of Price Administration, its regional offices, and local offices throughout the Nation as well as those under the Stabilization Director, are extremely conscientious and desirous of doing those things which they believe best for the welfare of our country. However, I am sure that we all understand that those who work in the offices mentioned are only human and have made mistakes. This has been a new undertaking—this regulating the economy of this country, and we can expect mistakes. However, there are certain inadequacies in the present laws which bring on injustice in many instances. Therefore, it is up to this Congress to carefully scrutinize the provisions of the Stabilization and Price Administration Acts in their present amended form, in view of the effects of their operation during the last 2 years, and when we find certain inadequacies exist we should remedy them.

At this time I particularly want to call the attention of Congress to one inadequacy. If you will carefully analyze these two acts you will find that there are provisions in the rent- and price-control portions of the law to take care of those who are caught in the technical aspects of the law where, as a matter of fact, they have acted in good faith or have been guilty only of making honest mistakes. This is not true in the Wage Stabilization Act. If you will carefully analyze this law you will find that there is no provision to exempt those who have technically violated the law, even though they may have acted in good faith or may be victims of honest mistakes. In this respect I urge that this Congress amend the law as it now exists so that the War Labor Board panels throughout the country may exempt from the penalties of the law those who have acted in good faith or who have been victims of honest mistakes.

In my State there are many farmers—particularly vegetable growers—who are now suffering as the result of the rigidity and inadequacy of this law. It is my contention that no penalty should be imposed in a case where an illegal wage or salary payment has been made as the result of an honest mistake of law or fact and without intent to violate the laws or regulations as they exist. It is my further contention that the only way in which justice can be meted out in such a case is to make a provision that all enforcement agencies of these laws shall have the power to enter into stipulations with a person charged with violations, fixing a penalty therefor which shall be in lieu of all other criminal or civil liability under the law, or waiving penalty in a case where there has been an honest mistake of law or fact. Unless such provisions are incorporated in the measure now before Congress, great injustice will ensue to many of the people of this country.

I have in mind one vegetable grower in my State who, through a mistake, overpaid one employee in the sum of 90 cents. Under the technical provisions of the law as it now stands, all the wages

paid to that employee during the fiscal year could be set up as an operating expense and used in computing his income-tax returns. In other words, with our present high rate of income tax this vegetable grower finds that he has to include as a part of his profits the wages paid to that employee and he must pay a tax on this sum just the same as if it were an actual part of his profits. I am sure that you will agree that there is no justice where, as a matter of fact, a mere 90-cent mistake makes it possible for the employer to be victimized to the extent of several thousand dollars.

If we expect the people of this country to continue to support the program of price control and wage stabilization, we must give them a program that carries with it the essence of justice. We must make them feel that they have the right to be protected in the law and not victimized in the jaws of technicalities and ruined in the vice of rigidity. It seems unjust that those who have, for any reason, overpaid employees should be required to have the entire amount of such wages paid to such employees used as penalties. It would appear that only the amount of overpayment should be considered as the penalty. There are cases where an infinitesimal overpayment has been made, and yet the employer has had to refrain from using the entire amount of wages paid to that particular employee in setting up his operating expense when computing his income tax.

An amendment will be offered which will penalize the employer only to the extent of overpayment of wages. Let me urge that the Congress adopt this amendment. In this way those who have been grossly negligent or who have willfully violated the law will be penalized accordingly to the extent to which the violation has been made. On the other hand, those who may have violated the law to a minor degree will not receive the extreme penalty of having the entire amount of the wages of an employee charged against them in their income-tax returns. Such amendments will create justice and fairness and will not penalize to the extent of harshness and confiscation.

(Mr. HARLESS of Arizona asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, I have the honor to represent the Seventh District of Louisiana in the Congress, which district is one of the most important in the United States. My district produces nearly all agricultural products except wheat. We grow rice, cotton, corn, cane, soybeans, Irish potatoes, sweetpotatoes, oats, hay, and vegetables, fruit, and legumes being the principal agricultural products. In addition my district is one of the largest producers of oil in the State of Louisiana, and in the United States. As a result we have the largest oil refineries in the world and synthetic rubber plants. We also produce salt, sulfur, limestone, sand, gravel, marble, and many other minerals. The lumber and saw-milling and creosoting, turpentine, and naval-stores industry is one of the

important industries, and our reforestation program has been under way for many years. The cattle industry is one of the largest in Louisiana. My district is the center of the Louisiana fur industry, muskrat being one of the more valuable in the fur industry. We also have many large manufacturing industries such as magnesium, aluminum, and other manufacturing war materials. Crowley, in Acadia Parish, is known as the Rice Center of America, and also Lake Charles, in Calcasieu, is recognized as the oil center of Louisiana. Many rice mills are located in Acadia and Calcasieu Parishes, and the city of Lake Charles has one of the finest ports in the South, where oil and rice are shipped in oceangoing vessels, as well as cotton, naval stores, and other products of the Southwest. Sunset, in St. Landry Parish, is known as the sweetpotato capital of the United States. We have many rivers and streams traversing the district, and fishing is quite an industry, to say nothing of the fine game which is abundant. The United States Government has established several game preserves where the mallard and Canadian geese winter.

The population of my district according to the 1940 census was 258,675, and all of our people are patriotic and are contributing to the war effort to the fullest extent. I make these preliminary remarks to call to your attention to what extent my district is concerned and affected by the Price Control Act which is now under consideration for extension by your committee.

My constituents have been damaged and will continue to be damaged in the administration of the Price Control Act under the present regulations, edicts, directives, and proposed regimentation which we are informed will be promulgated as the same affects a number of the most important industries in my district, and they are opposed, and as their Representative in the Congress, I will oppose the extension of the Office of Price Administration under the present regulations, unless full relief is afforded the industries in my district.

I could write a book about the administration of the O. P. A. As a matter of fact, Mr. Lawrence Sullivan, a prominent newspaper commentator, has written such a book, and I would recommend the reading of this book to the members of your committee. I also direct your attention to a pamphlet written by Hon. Harold L. Warner and Albert Plantan, of Minneapolis, in regard to rent control. With your permission, at this point, I would like to include in this statement a copy of a survey or poll concerning the extension of the Price Control Act, by the Illinois State Chamber of Commerce, as follows:

SUMMARY OF REPLIES RECEIVED FROM THE MEMBERSHIP OF THE ILLINOIS STATE CHAMBER OF COMMERCE, REPRESENTING 28 DIFFERENT CLASSIFICATIONS OF BUSINESS LOCATED IN 58 ILLINOIS CITIES, CONCERNING EXTENSION OF THE FEDERAL PRICE CONTROL ACT

1. PURPOSES, OBJECTIVES, AND POWERS

A. Sixty-six percent stated that the objectives of the Price Control Act should be more specifically set forth and more clearly

defined to prevent the issuance of regulations contrary to the intent of the law.

B. Twenty-six percent stated that administrative officials should be restrained in the issuing of regulations and rules, and there should be some limitation on the powers granted the administrator.

C. The remaining 8 percent offered a variety of suggestions and comments.

2. JUDICIAL REVIEW

A. Eighty-two percent stated that the right of full and prompt hearings in local courts should not be denied citizens under the Price Control Act.

B. Nine percent stated that the distributing of court power to local courts would increase confusion because of the varied opinions which would arise and delay would result because of jammed courts, appeals to higher courts, etc., often to the advantage of the chiseler.

C. Three percent stated that the means for prompt hearing should be available, but jurisdiction should be limited to certain (possibly Federal District) courts to minimize conflicting interpretations and prevent undue delays.

D. Two percent stated that a defendant sued for civil damages should have the right to make defense as to the validity of the law itself or any regulation issued under the law in the court in which suit is brought. Manufacturers and others seeking to enjoin the enforcement of a price regulation, etc., could continue to proceed through the Emergency Court of Appeals.

E. Two percent stated that the Reviewing Board or Board of Appeals should be set up with power to amend or set aside unfair price orders or regulations. This Board would first be approached and, failing satisfaction, appeal would be taken to the regular court.

F. The remaining two percent offered a variety of suggestions and comments.

3. MECHANICS OF ADMINISTRATION AND ENFORCEMENT

A. Forty-four percent stated that regulations and orders should be standardized, made more specific, and more simply stated, to make them understandable and uniformly interpreted and to inspire confidence in them.

B. Eighteen percent stated that administrative processes should be speeded up to ease hardship. Decisions on protests, etc., should not take months, caused by intentional procedural delays. There should be provisions that regulations against which protest is filed shall automatically become ineffective if protest is not either granted or denied within a fixed period.

C. Nine percent stated that paper work required should be cut to the absolute minimum. Financial and other reports should be simplified and limited in number and frequency and, in some cases, O. P. A. should be prohibited from requiring them.

D. Nine percent stated that power and authority should be decentralized into hands of local groups.

E. Two percent stated that before instituting court proceedings to force compliance, it should be required that the person charged with violation be advised of such violation in writing. If person discontinues violation, no further enforcement action should be taken; if violation continues after notice, court proceeding would be instituted. Purpose would be to protect innocent violators.

F. The remaining 18 percent offered a variety of suggestions and comments.

4. DURATION OF LAW

A. Thirty-four percent stated that the law should be terminated as soon as post-war production is sufficient to minimize the possibility of inflation and equalize distribution, and other inflation dangers no longer appear critical.

B. Twenty-seven percent stated that the law should be terminated as soon as possible after the end of the war.

C. Eleven percent stated that the law should not be continued after the war and pointed out that competition, law of supply and demand, and free enterprise should rule.

D. Nine percent expressed opinions to the effect that the law should be terminated from 3 to 6 months after the end of the war and several indicated that that meant after the cessation of hostilities.

E. Seven percent stated that the law should be discarded on June 30, 1944.

F. Six percent stated that the law should be extended for 1 year, subject to possible renewal.

G. One percent stated that the law should be renewed with definite termination date, and if not again extended at least 6 months prior to that expiration date, should pass out of existence. If not renewed 6 months prior to expiration date, last 6 months should be used to liquidate the agency and gradually remove all restrictions.

H. The remaining 5 percent offered a variety of suggestions and comments.

OIL

Of course, Mr. Chairman, I do not expect to presume to take up such time as would be necessary to present my case, but I will try to briefly present to you certain facts in respect to the industries in my district which are the most severely damaged under the present regulations of the O. P. A.

The first is the petroleum industry.

My district and State are now producing more 100-percent high octane gasoline than all of the United Nations combined, so you can well realize how important this industry is to my district.

I think, Mr. Chairman, that the statement made in person before your honorable committee by the Honorable Russell B. Brown, some few days ago, brings to your attention the plight and tragic condition of this important industry, and clearly proves the maladministration by the O. P. A. of an industry which is so important to the war effort, and while I will not reiterate the arguments so splendidly presented by Mr. Brown, it is my opinion that many of the arguments advanced apply to other industries in my district.

The most surprising and unbelievable aspect to the administration of the petroleum industry is that notwithstanding more than two-thirds of the Members of Congress voted, as the representatives of the people of the United States, after having had to introduce a discharge petition to force consideration of the Disney bill to increase the price of petroleum—the O. P. A. paid no attention at all to the representatives of the people, and are still obdurate, intransigent, and refuse to give consideration to the mandate of two-thirds of the Congress of the United States.

POTATOES

Last year Florida and Texas Irish potatoes had a ceiling price of \$3.75 promulgated by the O. P. A. and Irish potatoes from my district and Louisiana had a ceiling price of \$2, and the only justification the O. P. A. could give me and the other Senators and Representatives in Congress for the discrimination was "historical data."

With your further permission, Mr. Chairman, I would like to call to your attention, and I hope the bureaucrats in the O. P. A. will read the following editorial from the National Grange, of re-

cent issue, which will give them some facts in regard to "historical data" in respect to price control:

History records the efforts made to control food and food prices as far back as 2830 B. C. The accounts of the early attempts are fragmentary, but apparently they were either carried out under complete dictatorship or soon resulted in dictatorship.

Eleven hundred years before Christ, China did a lot of experimenting, and Li K'o, minister of Wei, is reported not only to have "made the people rich but also made the state strong" by the food policies he pursued. He said that "if the price of grain were too high, it would hurt the consumers, and if it were too low, it would hurt the farmers. If the consumers were hurt, the people would emigrate, and if the farmers were hurt, the state would be poor. The bad results of a high price and a low price are the same." He established a unique system of price support which encouraged production, and through ample production held prices down.

Seven hundred years later, Confucius dealt with this problem and is reported to have found that nothing more markedly affects the interests of producers and consumers than prices. "Price is the great problem for society as a whole." According to the Confucian theory, "the government should level prices by the adjustment of demand and supply, in order to guarantee the cost of the producer and satisfy the wants of the consumer. Its chief aim is to destroy all monopoly so that the independent or small producer can be protected on the one side, and the consumer on the other. It prevents the middleman from making large profits and gives the seller and buyer full gain."

Later in Rome (A. D. 301-314), Diocletian fixed the maximum prices on several hundred items, as well as wages for various occupations, and prescribed the penalty of death for anyone who violated the prices. The historian, Lactantius, tells us that there was much blood shed and "the people brought provisions no more to markets, since they could not get a reasonable price for them; and this increased the dearth so much that at last after many had died by it the law itself was laid aside"; but while the law remained, gradually the democratic senate gave way to centralized law enforcement, until the senate's powers ceased to exist and a dictatorship assumed complete control.

In Antwerp, Belgium, 1584-85, we have another instance where the city was besieged. Food became scarce and prices rose. Price ceilings were established to protect the consumer, but merchants could not attempt running the blockade at the prices fixed. The historian, Fiske, tells us "the enforced lowness of prices prevented any general retrenchment on the part of the citizens. Nobody felt it necessary to economize. So the city lived in high spirits until all at once provisions gave out and the Government had to step in again. * * * In this way a bungling act of legislation helped to decide for the worse a campaign which involved the territorial integrity * * * of a great nation."

Later the historians tell us that during the French Revolution the attempt at price fixing converted a food scarcity into a famine. Throughout all history, the results are the same. When we try by edict to set aside economic law, we may succeed for a short time, but eventually the accumulated unbalance is so great that no law can withstand it and the unsound edicts are swept aside in the onrush of the accumulated distress. The economic principles involved are simple. A low price will increase consumption and reduce production. A high price will increase production and decrease consumption. The proper balance will maintain production sufficient to meet consumption demand. Any attempt to put these

principles into reverse is bound to result in disaster.

We are inviting the profligacy which destroyed Antwerp, the dictatorship which destroyed democracy in Rome, and the hunger which followed the French Revolution and which has been the result in China or wherever men have attempted by law, regulations, or directives, to set aside the sound principles of economics.

CATTLE

Mr. Chairman, the handling of the meat situation last fall and last year by the O. P. A. was tragic.

It is needless to call your attention to the fact that the gentleman from Texas, Congressman KLEBERG, appeared before the House of Representatives on June 24, 1943, and reference to the CONGRESSIONAL RECORD of that date, on pages 6500 et. seq., will disclose that Congressman KLEBERG stated that with more cattle than ever before in the United States, the people of the United States were unable to obtain meat, and Congressman KLEBERG pointed out the remedy to the situation, but the O. P. A. paid no attention to one of the best posted and largest cattleman in the United States.

If the O. P. A. was not willing to take the judgment and experience of Congressman KLEBERG in his advice and suggestions in the proper steps to take to correct the situation at that time, Mr. Marvin Jones, the Administrator, from San Antonio, Tex., the heart of the cattle country, should have taken cognizance of the full page advertisement in the Washington Post, of Washington, D. C. telling of the plight caused by the administration by the O. P. A. of the cattle and meat problem.

This program was bungled by the O. P. A. and caused an enormous loss to our people, and especially to the people of my district, who as I stated in the beginning of my statement are large cattle producers.

STRAWBERRIES

Mr. Chairman, Louisiana strawberries are recognized the world over as being the most luscious grown, and Louisiana has expanded this industry until more than \$5,000,000 was formerly received by the growers of this fruit each year. The strawberry industry is one of the most important in Louisiana, as well as to many of the other States, and notwithstanding all of our arguments, statistics, affidavits, protestations, and even recourse to the Supreme Court of the United States, we were unable to prevent the O. P. A. from placing a ceiling price on this product which will practically ruin the industry.

It is not necessary for me to present further facts in substantiation of my statement, as the gentleman from Louisiana [Mr. MORRISON], the Senator from Tennessee, Mr. STEWART, and other Members of Congress from all of the other strawberry-producing States have clearly proven my contention in public meetings, in the press, and in the Congress.

ROUGH RICE

Mr. Chairman, the placing of a ceiling price on rough rice is one of the most absurd, unnecessary, unreasonable, un-

justifiable, discriminatory, and ruinous to an industry, which the O. P. A. instituted on April 15, 1944, notwithstanding the presentation of arguments, facts, statistics, and so forth, by the Senators and Members of Congress from the States of Louisiana, Arkansas, Texas, and California, in support of our protests. In order to prove this statement, with your kind permission, I desire to read into the RECORD the last appeal made by the Senators and Representatives of the rice-producing States to the O. P. A. under date of March 28, 1944, which is a condensed statement of our contention, as follows:

MARCH 28, 1944.

HON. CHESTER BOWLES,
Administrator, Office of Price
Administration.

HON. MARVIN JONES,
Administrator, War Food Administration.
GENTLEMEN: The Office of Price Administration has issued MPR 518, dated March 7, 1944, to become effective April 15, 1944, in which order there is established maximum prices on rough rice. This regulation bears the approval of the Administrator of the War Food Administration as of February 26, 1944.

The Representatives of the rice-producing States have consistently opposed the establishment of maximum prices on rough rice and have filed written protests and objections with the Office of Price Administration, and from time to time have participated in many conferences with the officials of that Office, and do now further protest this action and reiterate our reasons therefor, to wit:

1. The placing of a maximum price on rough rice is unnecessary as there has been placed a maximum price on milled and clean rice, which maximum price on milled or clean rice, if enforced, protects the consumer.

2. The 1943 crop of rice, under the maximum price under which the same was produced, harvested, milled, and distributed, was handled with a fair return to all concerned.

3. It is unfair to the producer to place a maximum price on rough rice for the reason that, under the proposal, there is a scandalously wide spread between the maximum price on rough rice and the maximum price on milled or cleaned rice.

4. The proposed maximum prices for rough rice are below the levels of the year 1942, and violate the 1942 Emergency Price Control Act, as amended. The term "gross inequity" was never intended to confer authority on your agency to place maximum prices at levels below the standards contained in the law, but rather to permit prices to be fixed at levels above the standards when justice dictated this action. Thus clearly MPR 518 violates the law and intent of Congress. You cannot expect support of your program unless you administer it in accordance with the letter of the law.

5. The proposed maximum prices for rough rice, we are informed, are below the cost of production at this time (see testimony of hearing of O. P. A. held in New Orleans, La., on March 20, 1944), and instead of encouraging the production of this important food, will not only reduce the crop for 1944 but will practically ruin the rice growers.

6. We are further informed that it is the intention to amend the above-mentioned M. P. R. 518 regulation to provide for Federal grading of rough rice, and that the total rice production be allocated to the various rice mills and that the value of the individual rice crops be determined by valuation committees in order to eliminate all competition in the purchase of rice. The effect of this would be that the producer would have completely destroyed his privilege to trade in the sale of his crop, and would be entirely

unable to protect himself against unfair grading, etc.

7. Our constituents advise us that all of the producers and a majority of the rice mills are opposed to the placing of this proposed maximum price on rough rice, as the same is unnecessary, unfair, unreasonable, and that the only result would be to create unknown hardships and unnecessary confusion on the part of the producer and in no way help the consumer, and that they are all further opposed to any such regimentation on the part of your agencies as is suggested in the above and foregoing paragraph.

Therefore, in view of our sincere opinion that the facts do not justify MPR 518, no other alternative is left us, except to demand that you rescind and abrogate MPR 518 before it destroys the rice industry and reduces this source of food.

We expect to be advised as to your intentions in regard to our request.

Sincerely yours,

Signed: LOUISIANA: JOHN H. OVERTON, United States Senator; ALLEN J. ELLENDER, United States Senator; H. D. LARCADE, JR., Member of Congress, Seventh District; JAMES DOMENGEAUX, Member of Congress, Third District; JAMES H. MORRISON, Member of Congress, Sixth District; PAUL H. MALONEY, Member of Congress, Second District. ARKANSAS: HATTIE W. CARAWAY, United States Senator; JOHN L. MCCLELLAN, United States Senator; W. F. NORRELL, Member of Congress, Sixth District; WILBUR D. MILLS, Member of Congress, Second District; E. C. GATHINGS, Member of Congress, First District; BROOKS HAYS, Member of Congress, Fifth District. TEXAS: MARTIN DIES, Member of Congress, Second District; J. J. MANSFIELD, Member of Congress, Ninth District. CALIFORNIA: HIRAM W. JOHNSON, United States Senator; J. LEROY JOHNSON, Member of Congress, Third District.

Mr. Chairman, rice is the principal agricultural product of my district, and there are approximately between 15,000 and 16,000 people engaged in that industry, and a rice crop is one of the most expensive to grow that I know of. The rice grower requires good farm land, deep wells costing from \$5,000 to \$15,000 for water to irrigate the rice, and an enormous investment of money in farm machinery, and as outlined in the foregoing argument signed by the Senators and Representatives from the rice producing States, no ceiling price is necessary to control the price to the consumer, as a ceiling price on the finished, clean or milled product is abundantly sufficient to control the same. Therefore, the imposition of a ceiling price on the rough product is entirely unnecessary and ridiculous, and as our statement indicates, if the proposed ceiling price is to remain on rough rice, it will not only be the means of reducing the production of this important food crop at a time when it is so sorely needed for the war effort, but in addition will ruin the industry.

Mr. Chairman, as you will observe from the signatures on the letter protesting the ceiling price on rough rice, not only the State of Louisiana is interested and concerned with this unreasonable edict, but also the States of Arkansas, Texas, and California, whose Representatives have made vigorous protest to this un-

fair transaction, and with your permission, in order to support this statement, I would like to include in this statement a copy of resolutions adopted by the Texas Rice Growers Association, of the State of Texas, adopted on March 31, 1944, as follows:

A meeting of the Texas Rice Growers was held at the courthouse in Houston, Tex., on March 31, 1944, for the purpose of hearing a report of the Texas members of the Southern Rice Growers' advisory committee on the hearing held in New Orleans on March 20 with O. P. A. representatives with reference to rough-rice ceiling prices.

A large and representative group of Texas rice growers attended the Houston meeting, and after considerable discussion the following resolution was unanimously adopted for the purpose of setting forth the views of the rice growers in respect to the ceiling prices:

Resolved by the undersigned Texas rice growers assembled at a public meeting at the courthouse in Houston, Tex., on March 31, 1944, with the Texas members of the Southern Rice Growers' advisory committee, and after hearing a full and complete report of said committee of its conference with the O. P. A. representatives in New Orleans on March 20, 1944, with respect to the ceiling prices on rough rice, That the following protest be filed with the O. P. A. authorities, and that a copy of this resolution of protest be filed with the Members of Congress from the rice-growing States, the American Rice Growers Association, and other interested parties.

1. PROTEST AGAINST ANY CEILINGS ON ROUGH RICE

Growers are unanimous in protesting the imposition of ceiling on rough rice on the grounds that such action is unfair to producers, unnecessary, unenforceable, and, in the light of previous O. P. A. orders with respect to clean-rice ceiling, all of which operate to reduce the price on rough rice, would create doubt and uncertainty among growers which would tend to greatly reduce the acreage of this much-needed food crop, also that imposition of ceilings at a much lower level than the present rough-rice market, after producers had made purchases of and lease contracts on land, contracted for water, at a higher level than 1943, with the assumption that price levels now existing would and could be maintained. We also charge that the O. P. A. failed to properly consider the increased cost per acre of labor, land, water, equipment, and living cost of rice production, which has risen from \$45 per acre in 1941 to \$72 per acre in 1943 and an estimated \$78 per acre in 1944.

2. PROTEST ON MOISTURE CONTENT

The growers unanimously protest any moisture clause in the establishment of value should ceiling be imposed in that sufficient equipment for this purpose was not available at country shipping points and that it is impossible to secure same, therefore producers would be at the mercy of processors who would give moisture content only when rice was delivered to final destination, which would be the mill.

3. PROTEST ON FEDERAL GRADING

The O. P. A. recommended Federal grading of rough rice, to which the growers unanimously disapprove in that it has been tried once before and was an utter failure. It is a mechanical method which worked only one way, to greatly penalize the producer on all but top milling grades, and in no way reflected the true milling values of rough rice.

4. PROTEST ON VALUATION COMMITTEE

The O. P. A. recommended the setting up of a valuation committee of one farmer and one mill representative in each community,

to which the growers unanimously oppose on the grounds the producers would be under a disadvantage in that mill representatives would have a vast advantage in knowledge and experience in this method of valuation.

5. PROTEST ON ALLOCATION

The question of allocation of rough rice to mills is unanimously disapproved in that it would eliminate necessary competition. The proposition of taking away from the grower the right to sell his rice to whatever mill he wanted to sell it to seems indefensible from every standpoint. We submit that the rice farmer or any farmer has the natural right, which should always be preserved, to sell his product to whom he pleases at the prevailing price or at the ceiling price if ceiling prices should be adopted.

6. PROTEST ON EFFECTIVE DATE OF ORDER

The growers unanimously disapprove the effective date of the order on rough-rice ceilings in that it would penalize producers who have been unable to harvest their 1943 crops due to weather conditions and would penalize those producers who were insuring their 1944 crops by carrying an excess of seed rice, in many cases up to 100 percent of their plantings. We submit that inasmuch as the Department of Agriculture has always designated August 1 as the beginning of the new crop year for rice, we request that if ceilings are put into effect that this date be used, as plantings will be completed not earlier than July 15.

7. PROTEST DIFFERENTIAL ON VALUES OF VARIETIES

The growers unanimously protest the differential of ceiling prices by varieties in that they are not in accordance with values of clean rice.

8. PROTEST ON ESTABLISHED ROUGH RICE CEILING WITH RESPECT TO CLEAN RICE

The growers submitted written evidence, signed by eight rice mills, admitting that prices set by O. P. A. could be raised without affecting the clean rice ceiling, thereby proving conclusively that the O. P. A. had erred in the placing of ceilings as contained in order M. P. R. 518. There can be no doubt therefore that some advance in ceiling prices on rough rice such as proposed in this resolution could be made without increasing the ceiling prices on clean rice.

We wish to call special attention to the present practice of undermilling rice which results in increased milling yields of clean rice. The O. P. A. ceiling on rough rice was based on the old method of hard milling rice which has been abandoned. The mills are now leaving much of the byproducts on the milled rice, which results in a further profit to the mills of at least 50 cents per barrel on the average over and above the milling assured them by reason of rough rice ceiling prices. We feel that no public investigation has been made of the operating costs of the mills per barrel of rice processed, or of the milling yields. We submit that it is only fair that a thorough examination be made into the operating expenses of the mills and the milling yields before any ceiling prices on rough rice are fixed which will clearly have the effect of assuring the mills of what is considered by the growers as an exorbitant conversion margin. We call attention also that the O. P. A. authorities have made no proper investigation of the increased cost of production of rice to the farmer. Throughout the rice-growing section there has been almost constant rain since the latter part of November 1943, which has greatly retarded plowing and the preparation of the lands for the 1944 crop, and much of the land has not even been plowed to this date. The late start on this crop is going to result in greatly increased cost, and many farmers who had planned to farm

during 1944 are turning in their water contracts and are not going to farm at all because of the unfavorable weather conditions which have prevented them from preparing their lands, and also because of the ceiling prices which have been fixed on rough rice which constitute a roll-back in prices of \$1 or more per barrel.

If these ceiling prices are maintained, a rice grower can have little hope during the year 1944 of making any money at all, and many of them are not going to plant under these conditions. The growers must necessarily assume all the risks of planting, growing, and harvesting the crops, including the hazard of recurring tropical storms, excessive rainfall during harvest periods, without any assurance from any governmental agency or anyone else of a profit on his labors, while on the other hand, he feels that the imposition of these ceilings on rough rice will absolutely guarantee to the rice mills a conversion margin of more than \$1 per barrel. Even after a practical guaranty of these unjustified and unreasonable milling profits to the rice mills, it has been seriously proposed to divide up and allocate the farmer's products among the rice mills by some system over which he has no control, and for no reason at all other than to assure each mill that it will receive its proportionate share of these excessive and unreasonable milling profits. We demand that if these rough rice ceiling prices which have been arbitrarily adopted by the O. P. A. authorities without any adequate or proper investigation of the operating costs and the milling yields of the rice growers in the several southern rice-growing States are going to be maintained that they should at least be revised according to the following schedule, and which revision would at least provide some encouragement to the rice grower to go ahead and perform his duty to his country in the matter of providing adequate food supply:

E. P. from \$5.30 to \$6.25.
Zenith from \$6.15 to \$6.50.
L. W. from \$6 to \$6.50.
B. R. from \$6.15 to \$7.
Pearl from \$6.15 to \$7.
Fortuna from \$6.15 to \$7.25.
Nira from \$6.65 to \$7.75.
Patna from \$7.05 to \$8.
Edith from \$6.10 to \$7.
Others from \$5.30 to \$6.25.

9. GRADING MAXIMUM PRICES SET BY O. P. A.

The O. P. A. offered the following table of maximum prices by variety on rough rice should Federal grading or valuation be set up:

E. P.-----	\$6.21
B. R.-----	6.50
Zenith-----	6.50
L. W.-----	6.50
Edith-----	6.99
Fortuna-----	7.40
Nira-----	8.08
Patna-----	8.08

Should the valuation of Federal grading be put into effect as suggested by the O. P. A., we oppose the table of margin prices as set up on various varieties of rough rice in that they are unreasonable and unintelligent. We have been informed that rough rice would have to yield in excess of 100 pounds of whole grain and 115 pounds of total in order to receive the margin price as set out by the O. P. A. Examples are given on two varieties, viz: Early Prolific and Fortuna, which required them to yield 102½-115 and 105-115, respectively, notwithstanding the Government standard on these rices is 85-108 and 70-108, respectively.

We urge that the imposition of the proposed ceiling prices on rough rice be deferred until such time as a full and adequate investigation can be made and submit that failure to do so will result in chaotic conditions in the rice industry and a wide-

spread abandonment of rice planting during the year 1944.

Mr. Chairman, in order to indicate how my people in my district and the State of Louisiana feel about the O. P. A. I have placed in the CONGRESSIONAL RECORD, copies of house concurrent resolutions, and senate concurrent resolutions, wherein the Legislature of the State of Louisiana memorialize the Members of the Senate and the House in the Congress to vote against any future appropriations for the O. P. A. unless some relief is given to our industries and rough rice is one of the first products named.

Mr. Chairman, we cannot understand why the O. P. A. insists upon placing a ceiling price on rough rice, for, on October 1, 1943, the War Food Administration wrote me:

We do not favor establishing a ceiling price at the present time pending further developments in the industry.

The letter is signed by Hon. Ralph W. Olmstead, Deputy Director, and I desire to include the entire letter in these remarks, to-wit:

WAR FOOD ADMINISTRATION,
FOOD DISTRIBUTION ADMINISTRATION,
Washington, D. C., October 1, 1943.
Hon. HENRY D. LARCADE,
House of Representatives.

DEAR MR. LARCADE: This is in reply to your letter of September 21, addressed to the Honorable Marvin Jones and enclosing copy of a telegram you sent to the Honorable Prentiss M. Brown, which has been referred to us for reply.

As you are aware the matter of a ceiling price for rough rice has been under consideration for some time. This action has been recommended by the Rice Milling Industry Food Advisory Committee based on the contention that millers are unable to buy rough rice at prices which will permit them to process the rice and sell it under established Office of Price Administration ceiling prices for milled rice without incurring a loss on the operation. Prices being quoted for rough rice sales in the southern producing areas appear to substantiate the millers' contention and they claim they are able to operate only by undermilling the rice, whereby they obtain a higher yield of whole grain rice which can be sold at ceiling prices for export and to brewers who are willing to accept brown and undermilled rice for use in the production of beer.

Due to the shortage of rice, it is not considered desirable to permit the use of large quantities of table quality rice for use in the production of beer and we are, therefore, considering the issuance of an order restricting rice which may be used for brewing purposes to the broken classes: Second head, screenings, and brewers' milled rice. Also, we understand the Office of Price Administration has under consideration the advisability of providing lower ceiling prices for brown rice and undermilled rice than for milled rice. When and if these provisions are placed in effect, it may result in the millers' refusing to pay prices for rough rice in excess of its value for conversion into table quality milled rice. Should this prove to be the result, we doubt that there would be any necessity for placing a ceiling on rough rice, since all mills would be able to compete for and buy rough rice at a price which would enable them to process it without incurring a loss.

On the other hand, if conditions should develop in such a manner that many of the rice mills were compelled to discontinue operations because of excessively high prices for

rough rice, we might feel compelled to recommend that a ceiling be placed on rough rice. We do not favor establishing a ceiling for rough rice at the present time pending further developments in the industry.

Sincerely,

RALPH W. OLMSTEAD,
Deputy Director.

Mr. Chairman, I have my files full of additional statements, resolutions, letters, telegrams, and other statistical data which I could present to your honorable committee in support of our position in regard to it not being necessary to place a ceiling price on rough rice, but same are so voluminous and numerous that I hesitate to include the same herein.

I would like to bring to your attention the complaint of many of my constituents that it is their opinion that the O. P. A. is discriminating against the producer in favor of the middle man who makes almost as much profit in the handling of many commodities as the producer, among which they point out strawberries, rice, fish, and many other products, and that it is their opinion that many of those in charge of the various departments, panels, and administrative positions represent special interests.

Mr. Chairman, I further resent the fact that the O. P. A. refuses to consider the protests of the regularly elected representatives of the people of the United States in matters which affect their constituents, and where they seek to give some measure of reasonable protection to their people. Other amendments will be proposed to your committee, and in justice to the 15,000 producers of rough rice in my district I feel it is my duty to submit to your committee an amendment which I propose to the Price Control Act, at the proper time to exclude rough rice from the provisions of the act.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Arkansas.

Mr. NORRELL. I should like to say that I have worked with the gentleman with reference especially to rice, both rough rice and finished rice.

I know no more able and vigorous Member of Congress in behalf of the rice industry than the gentleman from Louisiana. Notwithstanding the fact that we were not able to secure for the rice people what they are justly entitled to receive, I do want the people to know that the gentleman who is now addressing the House has rendered most able and courageous and vigorous effort in their behalf.

Mr. LARCADE. I thank the gentleman from Arkansas. I appreciate his expressions of praise, and want to say that he, and the other members of the Arkansas delegation, have also worked hard in the interests of the rice farmers in this matter.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield.

Mr. BROOKS. I am familiar with the gentleman's district. I know that a vast amount of money and labor are invested in the rice farms of south Louisiana. Those people have made good through

the years in spite of the keenest sort of competition. They have had one adverse year after another and they should not be penalized in times like this. They are entitled to a reasonable price for their commodity to put them back on their feet. I have watched the gentleman in his activity in their behalf and I know he has been conscientiously working for them. He is entitled to receive their sincere thanks and gratitude.

Mr. LARCADE. Mr. Chairman, I thank my colleague from Louisiana for his kind expressions.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. LARCADE received permission to revise and extend his remarks in the RECORD).

Mr. HARRIS of Arkansas. Mr. Speaker, I ask unanimous consent to extend my remarks which I made a few moments ago in the colloquy with the gentleman from Pennsylvania [Mr. GAVIN].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, orators have been lauding the way O. P. A. has been reformed. I hope they realize that the boasted improvement would have come sooner if they had assisted instead of strenuously opposing the efforts of those of us who from the first have fought against the perverted policies of O. P. A. We still shiver remembering how O. P. A. officials used to load the newspapers and magazines with doleful predictions of shortages to come and prophecies of a coming panic of price increases. Naturally such chatter goaded shoppers into buying out the stores and hoarding. How much the improvement today, if any, can be attributed to price control and how much to the fact that the people have grown cold to such scare campaigns we do not know.

The Administrator himself has cheerfully admitted that much of the boasted success is due to the magnificent performance of the Nation's producers and also to the fact that a lot of American citizens have been prudent enough not to squander their money. The chief cause for this magnificent production by farmers is the liberal policy which the New Deal at the time vigorously opposed. It required a certain obstinacy if not a degree of heroism to insist that farm prices ought not to be frozen at depression lows and should be permitted to fluctuate around parity, when those who fought for it were being lampooned and lambasted as being subservient to a farm blockade. The chairman, Henry Steagall, Democrat of Alabama, since gone to his just reward, felt heart-sick when he read to some of us a scurrilous editorial actually accusing him of disloyalty. But he refused to submit to the O. P. A. theorists who seemed to think that because farmers work like horses they are dumb brutes who, unlike people, would not work harder if work brought profit instead of loss. Farmers

have slaved harder than ever before, pressing into service their wives and little children, working with worn out tools and often without tools, in the boiling sun and often through the freezing nights. For the first time in 20 years farmers saw a chance to pay off some of the mortgage. Their magnificent production is the result.

The O. P. A. joined in the effort to drive out of Washington Congressmen who fought against their alien theories. But thanks to the people of their districts, all of those Congressmen are with us today—all except our colleague from Alabama, who died the day after his last speech against O. P. A. policies—a speech in which he spoke so fervently for southern farmers whose labor we almost take for granted. These Congressmen are still with us, still fighting for a kind of price control which will be consistent with justice and human nature. But the O. P. A. is still fighting to preserve its powers including the power to deny to American citizens their constitutional right to a day in court. For example, the President's inflicting income tax increases on those violating his hold-the-line regulation preventing wage increases. How can that be constitutional?

The 1942 election reflected a discontent which could not be ignored. But instead of trying to give the people the truly American kind of price control they had shown they wanted, a campaign was begun to try to sell O. P. A. to the public. The gentleman from Texas [Mr. PATMAN] in another debate has shown how O. W. I. used its power to induce private industries to advertise the virtues of O. P. A. Immediately after the election the Administrator, Mr. Leon Henderson, was replaced by Senator Brown, a likable politician. A bit later Senator Brown was replaced by Mr. Bowles, an appealing and, I believe, a sincere person who is a highly successful professional advertising man.

There is always a certain amount of advertising by the departments creating an undue influence upon Congress and the people. The agency heads come over to congressional hearings flanked by experts and armed with statistics which sometimes turn out to be elastic. Some Members of Congress act as if they considered themselves part of the executive branch of the Government; others flounder about rather helplessly. Since quite a few Congressmen are lawyers, it is possible to detect some of the legal tricks. Since all Congressmen know something about politics they may see through some of the political schemes. But hardly a Congressman knows anything whatever about mass psychology, public opinion trends, and other selling arts which are the tools of the advertising profession. Advertising is an effective profession else so much of the diet of the public would not consist of patent medicine and other injurious forms of dissipation. Hence, Congress cannot be certain how much of the boasted O. P. A. improvement is genuine and how much is an illusion created by skillful advertising.

Certainly the assembly of experts fronting for O. P. A. looked different from

the personnel which accompanied Mr. Henderson mouthing theories whenever he ran out of breath. Few of them looked lean and fanatical. One got the impression that maybe the revolution is not going to happen after all. This time there was a soft answer turning away the wrath aroused by each complaint. The O. P. A., to be sure, had had plenty of opportunity to rehearse. Since 1942 two special House investigating committees have been investigating O. P. A. Before the House Banking and Currency Committee held hearings, the Senate Banking and Currency Committee held hearings, listening to testimony from the people which, in some cases, turned out to have been word for word the same as we heard. Sometimes the O. P. A.'s gentle denial, like the figures on Montgomery Ward they gave us, were afterward said by reliable people who should know, to be ruthlessly inaccurate. Sometimes, in addition to the denial, O. P. A. promised a beneficent-sounding remedial program—not to be fully disclosed until after this bill has been voted. Such tactics left the impression that beneath the new varnish of sophistication the same slick tricks that have gained O. P. A. the reputation of being a noxious weed are still being used by, perhaps, the same O. P. A. officials operating behind the scenes. O. P. A. insisted, for instance, that nowadays it does consult committees representing industry. But after the hearings one industry told us of selecting a representative and being told by O. P. A. he would not be acceptable.

Perhaps the inveterate chicanery of O. P. A. is due to the fact that the hold-the-line policy is untenable. Inflation, judging from the way it has manifested itself in history, is a disease of extreme nervousness on a national scale. A government puts too much money in circulation. People start spending. Speculation begins. Prices rise. The Government spends more and more. Speculative price increases become a mania. The hold-the-line price-control program has the effect of a strait jacket. It is not a cure. The only sure cure found so far is increased production and also decreased spending.

That O. P. A. has substantially prevented adequate production has been demonstrated by numerous instances, some of which will be mentioned during the debate. Low-cost producers of such scarce articles as children's shoes have been squeezed between fixed price ceilings and rising costs. Nobody, so far, has mentioned the way O. P. A. has driven off the market needed farm equipment, including such things as horse collars, doubletrees, harness, plow handles, whiffletrees, neckyokes, and so forth. But look at these letters I have here, they were written in the course of business to jobbers telling that O. P. A. has deliberately prevented needed farm equipment from being manufactured by refusing to give price relief or delaying it too long. Some manufacturers of needed farm equipment, I am told, stopped making the needed items less because of the low price ceilings than because in order to get price relief, they were required by O. P. A. to hire expensive new ac-

counting jobs, and it was cheaper to go out of production than spend the money for the accounts.

Some producers and manufacturers are clinging to their businesses—producing at a loss—in the hope that the war will soon be over and O. P. A. will soon also be over and forgotten like a nightmare. But O. P. A., while not admitting it yet, like the man who came to dinner, may prove to be our permanent guest. According to monetary experts outside of Government the United Nations' monetary stabilization program, our Government intends as a permanent post-war program, means fixed rates of foreign exchange and therefore means that abnormal fluctuations in prices in our country are to become chronic. Those who want O. P. A. now will demand that O. P. A. be made permanent when price fluctuations and also depressions and inflations become a constantly recurring phenomenon in America.

Because the war may go on and become more difficult and because, even if the war ends, price control is apt to become permanent, we dare not ignore serious mistakes in policy. The hold-the-line policy is sophomoric. Because it prevents maximum production by freezing some people to their losses, it is inflationary and also weakening. How much of this weakening process our country can endure remains to be seen. Today, for instance, our country enjoys less beef, milk, and a great many kinds of food made from corn that we might have if O. P. A. would raise the ceiling on corn. The supply of corn is already so inadequate that the Government has commandeered the corn supply, telling farmers they cannot sell to anybody but Government and at a price which, because of down-grading and other circumstances, is less than farmers would otherwise get. Of course, any bravado with an army at his command can commandeer an existing supply. But inducing farmers to produce all they might in the future under such circumstances, when neither labor nor tractors are available, may prove to be quite a feat. It grows hard for one citizen to understand why patriotism requires him to work and worry until he blows out his gaskets while all patriotism seems to require of the next fellow is a little political pressure.

Today Americans are eating much of the food we expected by this time to be sending to people of foreign nations, but that relief job comes under the heading "Deferred maintenance." O. P. A. is demanding enough money to enforce regulations and exterminate black markets. The black markets, of course, impede fair distribution. But black markets, until now, by offering prices above cost of production where they could not be obtained under O. P. A. ceilings, have encouraged production. I wonder if the Administration really wants to exterminate black markets.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentlewoman from Illinois 5 additional minutes.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. HARNESS of Indiana. I wonder if it is not the policy of O. P. A. that has created the black markets?

Miss SUMNER of Illinois. Does the gentleman still wonder?

Mr. HARNESS of Indiana. I asked the gentlewoman if she does not agree with me that the policy of O. P. A. has created the black markets.

Miss SUMNER of Illinois. I am astonished that the gentleman is still wondering.

The administration itself tacitly admitted that the hold-the-line policy cannot secure adequate production when it resorted to shyster interpretations in order to evade the hold-the-line order and give coal miners the increase in wages which, coal mine owners said privately, was necessary in some cases in order to obtain an adequate supply of coal.

This used to be a Government with a universal reputation for square dealing. The truth seems to be that the productive capacity and genius of this country cannot operate at maximum peak beneath the injustices of centralized dictation. Canada has a more flexible program, refusing to control luxuries. Britain has a still more flexible and just program. As the war drags on it may become apparent even to the biggest Nazi imitator in our bureaucracy that the strait jacket Nazi-like program weakens the home front because the business of our great country is too vast and intricate to goose step.

The O. P. A. has done such an excellent job of selling O. P. A. to the public that virtually every witness from the people endorsed price control—for everybody, it seemed, but the people in his own line of business. About the only groups which advocated that O. P. A. be continued without amendment were the C. I. O. and other organized labor groups. But wages are not controlled by O. P. A.; another agency has jurisdiction over wages. The bill, as it comes to you, offers little if any relief. About all it gives the producers, manufacturers, and distributors of this country is a kiss and a promise.

What shall we do then? We know from past experience that some members will vote for a liberal bill on the way to the White House and vote against it when it comes back vetoed because it is liberal. We know that after the veto is sustained the votes of this House will put through a bill containing even less relief than the bill before you. The feeling seems to be that Congress is caught between the devil and the deep blue "C. I. O."

What shall we do then? Well, the excuse that Congressmen should vote against provisions they believe right only because the President is so petulant and powerful, sounds craven to me and I think it would to most people.

Now as before, Congressmen can improve O. P. A. by stubbornly fighting for improvement.

Mr. Chairman, I yield back the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I doubt if I shall consume the 15 minutes graciously allotted to me by the chairman of the committee, but I do want to make some observations concerning the legislation before us. It is given rise to, and has been heretofore recognized by legislative enactment, on account of the emergency; indeed, Public Law 421, approved January 30, 1942, in its title contains the language: "An act to further the national defense and security." I do not know how much thought we have given to the fact that these words appear in the title expressing the will or purpose of Congress in enacting Public Law 421 on the 30th day of January 1942. May I then, for the purpose of impressing upon us that this is not a forum of idle debate in which we appear, but a place for the transaction of important business, believe it or not, it is the attempt on the part of every Member of the House of Representatives and the Senate as it may come to them, to meet a responsibility that our several offices impose upon us. I do not know whether I am altogether correct, but I do feel from time to time—and this is said without reference to any group—that it ought to be when we enter the doors of this House and assume or resume the work that we are undertaking to do, we should leave politics and religion outside the door. In this particular circumstance I do not believe it is helpful for us to engage particularly or with any undue emphasis upon the question of whether we like Chester Bowles or do not, whether we like the men he has around him in O. P. A. or would rather have somebody else, whether we desire to commend them personally in their work in part or in whole.

By reason of the fact that this authorization as extended heretofore will expire and the proposal addresses itself to us as Members of Congress as to how we shall do our job, we are required to give attention to the question whether we wisely adopted an act in January 1942 to further the national defense and security, to check speculative and excess price rises, price dislocations and inflationary tendencies, and for other purposes.

The question addresses itself to us, did we act wisely in assuming or recognizing that as a responsibility of the Congress of the United States when it was done? Then the further question addresses itself to us, what shall be our attitude in extending that which we declared was a wise step which we took in 1942 with such modifications, seriously and sincerely proposed, as will aid that which no man in the first instance would assume we could make perfect in the bill which we passed in that year.

I hardly think we can dip here and dip yonder and grab an article of this kind and an article of another as a Congress and undertake to deal with these specific articles as we personally would like to do or as we would presume our constituency would applaud us for doing. This is of Nation-wide concern. It may be that in forming this pattern by which

we declared these things shall be controlled, since it is a Nation-wide action which affects the Nation at large, some of us in instances may have to yield a little here and a little there, but I think our final responsibility will have been met when we can say that as a body composing the House of Representatives, speaking of us here, we have undertaken to be fair and to do the best we could for the public welfare under all the circumstances.

The time came when the Committee on Banking and Currency, to which the bill was originally referred and was thereafter committed, set about to do its work and it set about regardless of political considerations to devote to the subject such time as the 26 men felt was due this important subject. The doors were thrown open wide. The chairman was considerate almost to the extent of being lenient with every consideration seeking a hearing and with the members as a whole regardless of their political affiliations.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I believe the gentleman is a member of that great Committee on Banking and Currency. He spoke about the committee consisting of 26 members.

Mr. FOLGER. Yes.

Mr. ROBSION of Kentucky. Is this report a unanimous report of that committee?

Mr. FOLGER. We considered it a unanimous report. There were probably two who voted "present," but I think that was to preserve a right, but I think it was recognized they had that right without reservation.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The idea was that we were all in favor of price control with the distinct understanding that anyone could present an amendment or vote for anybody else's amendment.

Mr. FOLGER. That is what I meant when I said they were undertaking to reserve a right that the other members all understood without any question that they had: to offer such amendments as they might feel should be offered.

Mr. ROBSION of Kentucky. Your committee did feel some amendments should be offered to this act?

Mr. FOLGER. The gentleman is asking me about personal opinions and concepts of each member.

Mr. ROBSION of Kentucky. I mean from the action of your committee.

Mr. FOLGER. No member of that committee would be regarded as unfaithful to the work of the committee if he desired to offer an amendment on the floor of the House.

Mr. ROBSION of Kentucky. I am not being critical at all, but we get letters and telegrams to accept it without change. It has been my view on a matter affecting so many millions of people and concerns, it being a new venture,

that after two and a half years of observation and experimentation with it, naturally it looked to me like it could be improved on and your committee thought it could be, I assume.

Mr. FOLGER. I think that was shown in the request for 9 hours' general debate under an open rule.

Mr. WHITE. Will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Idaho.

Mr. WHITE. From the gentleman's experience in dealing with the O. P. A. and the adjustments that come along under it and that we are requested to effect through the O. P. A., has not the gentleman found that Mr. Chester Bowles, the Administrator, is doing the best possible job under the circumstances?

Mr. FOLGER. Yes; I believe Mr. Bowles is doing an excellent job.

Mr. WHITE. Is he not leaning over backward trying to do everything he can to pull the country out of a bad situation, using the kind of an organization that he found in charge when he took over?

Mr. WHITE. I thank the gentleman, making a very sincere effort to do his duty.

Mr. WHITE. I thank the gentleman.

Mr. FOLGER. Mr. Chairman, I want to read a little of the original bill, Public Law 421:

It is hereby declared to be in the interest of the national defense and security, and necessary to the effective prosecution of the present war, and the purposes of this act are to stabilize prices and to prevent speculative, unwarranted, and abnormal hoarding, manipulation, speculation, and other disruptive practices contributing to the national emergency; to assure our defense and that appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance annuities and other fixed amounts for their living and income.

Mr. Chairman, I am not undertaking or assuming to debate the several sections of this bill. I am making the observations I do make to draw us to a recollection of that which we have already declared was necessary for the successful prosecution of the war and for the preservation of our economy as far as may be. We recognize that a sane approach, an unprejudiced effort to bring about stabilization of wages and a stabilization of prices, preventing run-away prices resulting in inflation, is one of the parts and one of the important parts of this bill that we are considering today by way of amendment to Public Law 421.

The question of the complaints which have been registered with probably every Congressman most every day, or week, at least, with regard to the O. P. A. law, have been found to be, in large measure, due to complaints at some form of administration. At that point, we are not undertaking and should not undertake to shift our own responsibility to the Administrator of the Office of Price Administration, and we have undertaken, without claim of perfection, however, to make such amendments to the Price Administration law as we felt would be helpful. That is what this bill that is presented to

you today, as coming from the Committee on Banking and Currency, means; with the proviso always that no man on there, nor the committee itself, arrogates to itself or to himself the idea that he has done a perfect job; because of the recognition that suggestions may come in honest desire to aid and to perform the duties of a Member of the House and to be constructive in bringing about as real as may be a perfect bill which we have heretofore, and I assume now, deemed absolutely necessary in order to prosecute this war and to prevent, as far as it may continue to prevent it, inflation in this country, which we all understand would be destructive not only of our war effort, but all our efforts, and our economy that would follow into the period long after the war, if we should allow inflation to submerge us, as it would do.

Therefore the open rule. Therefore the real open rule; not one tied down by any consideration but the open rule which makes it subject to amendment; the 9 hours of debate in order that we may have the benefit of the views of the other Members of this House of Representatives who have, no doubt, given much study and are greatly concerned, just as much as the members of the committee, in bringing to the House or completing in the House a bill that will, as far as humanly possible, do the work that it is hoped and intended that it will do.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, this is a good bill. Nothing in it will raise the cost of living and yet we have provided means by which hardship cases can be corrected and means by which everyone honestly injured can have his day in court.

This is a nonpolitical bill. It was written with the cooperation of both parties in the Banking and Currency Committee, after extensive hearings covering almost 2 months. The committee met every day, mornings and afternoons, including some Saturday afternoons. We even met on Memorial Day.

We first heard the O. P. A. staff, who tried to sell us the idea that the present law is perfect. We heard from representatives of industry. They told us their troubles.

The O. P. A. then came back and told us why they could not remedy all those troubles and why they were opposed to most of the amendments which had been suggested. But by this time they had changed their attitude somewhat, actually suggested certain amendments, and generally took a more cooperative position.

We devoted an afternoon to the recommendations of the gentleman from Virginia [Mr. SMITH]. When we got into executive session every member had a copy of the Smith report before him and as we read the bill, paragraph by paragraph, the Smith proposals were carefully considered and several of them are included.

In studying the whole question of price control and stabilization, we are faced with these important considerations:

Whatever the cause, it is an incontrovertible fact that prices have gone up very little during the past year. What we hoped for, when we wrote the original act, has come to pass. My aim and that of the members of the committee, both Republican and Democratic, is not to upset in any way the delicate balance which has brought this about.

A breaking of the line in any one sector would probably cause other parts to break and set up the inflationary cycle. Our effort was to correct injustices and hardships without in any way weakening price control. I think we have succeeded in this task.

We refused to give special treatment to any one industry; for if we had included amendments to give special treatment to cotton, or fish, or oil, or furs, or strawberries or any other of the many groups who desired special treatment, it would be difficult to refuse the request of all. If the dikes are once opened we may not be able to close them again.

I will not discuss the legal provisions as they have been well covered by other speakers, but some of the other changes are as follows:

There has been much complaint that the O. P. A. has been using the act to control profits, contrary to the will of Congress. A provision is included to reiterate the intent of Congress that the act should not be "interpreted in such a way as to give the Administrator the right to fix profits where such action has no relation to price control."

Much complaint was also made that the O. P. A. paid no attention to the industry committees, which are provided for in the present law. We have now specified in two places that the Administrator "should give consideration to the recommendations" of these committees.

As was mentioned by the gentleman from California [Mr. ROLPH] on yesterday, a directive is given the Administrator to provide for individual adjustments in rents where, due to peculiar circumstances, certain rents were not in line with those generally prevailing in that defense area. We have also provided that where the necessity for rent control in any area ceases that the Administrator shall abolish rent control there.

We have also reiterated the intent of Congress that the Administrator shall not use the act to compel changes in business practices or established accounting methods. I would have preferred a slightly more moderate amendment to this section—more along the line of the wording as proposed by the Smith committee—and I proposed one in committee, but it was rejected.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The gentleman continues to speak of what the gentleman from Virginia [Mr. SMITH] proposes. Does the gentleman refer to the special committee set up by the House and composed of Democrats and Republicans?

Mr. KEAN. I do. I refer to the Smith committee.

In general it might be said that these amendments clarify the intent which Congress tried to express when the original law was written—but which intent has not been carried out by O. P. A.

We have also provided that present roll-back subsidies on meat, bread, and butter may be continued, but that no additional agricultural commodities used as food for human consumption can be declared to be strategic or critical materials and thus be eligible for subsidies under this act. No one is more opposed to the principle of consumer subsidies than I am, which my voting record will show; however, we are met with the condition that, though in my opinion these subsidies were not necessary and never should have been instituted, now that they have been, they have become part of our economy and the removal thereof at this time might disturb that delicate balance to which I have previously referred.

I am particularly pleased with section 12. I urged such action not only in a speech on the floor in January 1943, but by introducing a resolution, and also on the air last month as mentioned by the gentleman from Pennsylvania [Mr. WRIGHT]. It has been my contention that committees of this House when they write new legislation should follow it along and try to improve the law in the light of the experience of its actual operation.

This would be done in a friendly atmosphere by those anxious to make a law work and who knew all about its provisions.

This should be a much more satisfactory method than providing for an investigating committee, often hostile to an act, who often do not understand all the circumstances under which a law was written—and whose members must devote much time to learning facts which members of the legislative committee already know.

This section should provide a forum to which those aggrieved by O. P. A. can constantly appeal and if we find where the law should be improved we can quickly do so. This is a step toward better government.

Mr. Chairman, as I said before, this is a good bill. It represents the careful judgment of our committee which has lived with price control now for over 2 years.

Naturally there are those businessmen who, thinking of their own industries, would like to make changes which would benefit their own businesses. But they do not look at the problem as a whole, as we do. They do not realize how, if we singled them out for special treatment, it would affect the general picture.

Mr. Chairman, I urge the House not to adopt any amendments which will make it impossible to enforce the act and make probable a rise in the cost of living.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I listened with a great deal of interest to the statement that has just been made to the House by the gentleman from New Jersey [Mr. KEAN]. It seemed to illustrate

the thing that has been in the minds of many of us that this debate over the extension of price control, not only in the House but in the committee, has proceeded, to a large extent, along nonpartisan lines.

I join the gentleman from New Jersey in the statement that this is a good bill, and I hope the House will accept it in substantially the form in which the committee has presented it to you. While there have been sharp differences of opinion between us, the two sides of the committee, we come to you in substantial agreement that the extension of price control is necessary in the war program, necessary for the maintenance of this country's economy. I think it is a splendid thing that we have disregarded partisan divisions when many of the real, fundamental, and crucial issues have been up for consideration.

I join my colleagues in tribute to the chairman of our committee, who has presided with such patience over these long deliberations. I also want to say a word in appreciation of the contribution that my friend from Michigan, the ranking member of the minority [Mr. Wolcott], has made. I think the gentleman from Michigan, with our chairman, is largely responsible for many of the best features of this bill.

I want to commend to you in that connection, and I hope this is not over-emphasizing the nonpartisan character of the treatment that some of us are trying to give this problem, the cartoon that appears in the front page of the Evening Star. Sometimes a man who is skilled with the pen can do a better job than we speakers. Mr. Berryman has given us a cartoon here that seems to state very well the situation in which we find ourselves. Here is Uncle Sam reading the invasion news and here are the elephant and the donkey and industry and labor looking over his shoulder, and as he reads the news he says, "This is big enough to make all of us forget our own little troubles, isn't it?"

So we are confronted with the fundamental question as to whether or not we are going to have the controls that are necessary to prevent a ruinous inflation in America today. We should place petty differences in the background.

As some of you know, I come from a rural district; seven of the eight counties in my district being largely rural. I have been impressed by the fact that demands for drastic changes in the O. P. A. law have not come from farmers. There is an impression sometimes that the farmers are bristling with demands for sweeping changes in this law. That has not been my experience. I recognize that here and there some adjustments need to be made, and I have joined with my colleagues from rural sections in making first requests, and then sometimes demands, of the O. P. A. that administrative adjustments be made. But the farmers of my district have not insisted that their adjustments must come legislatively, and that is significant.

We are truly representing our farmers when we insist that they have a tremendous stake in the continuation of this law, with the changes that our com-

mittee has recommended to you. I say that in justice to the farmers. It is often overlooked that they do have a stake in price controls, because, of course, they are inclined to think, as we all are, in terms of producer interests. But the farmers are consumers as well, and any increase at all in the cost of living is going to bring hardship to them. The percentage of income that is devoted to the necessities of life is higher among farmers than among any other group of our population. So when we protect the farmer in the cost of clothing, and even against increases in prices of some foods, for he buys more than two and a half billion dollars' worth of food every year, we are doing him a service. The farmers in general, then, have not complained about what has been happening to the price structure in this war; I say, in general. Let us see what has happened. Look at the difference between the other war and this one. First, as to income: The national farm cash income totalled \$19,750,000,000 in 1943, compared with \$11,750,000,000 in 1941. The net income of the farmers of this country increased 21 percent in the First World War. But from 1939 to 1943 the net income of farmers increased 82 percent. That was in spite of the fact that the prices received by farmers went up 73 percent in the First World War and only 71 percent in this period between 1939 and 1943. But the prices that farmers paid rose 46 percent in the First World War and only 21 percent since 1939.

I come now to the measurement of production by the farmers, because I believe that in justification for what we have done for the farmers in the maintenance of the Commodity Credit Corporation and its policy of supporting commodity prices and in the protective features of the Price Control Act which I have mentioned, the farmer turned in the most impressive production of foodstuffs in the history of the world. In the First World War, there was a reduction of 1 percent in food production between 1914 and 1918. But it went up 19 percent between 1939 and 1943.

Cotton production was down 24 percent in the other World War. It increased 12 percent in the last 4 years.

Meat production went up 25 percent, which was an impressive increase in the other World War. But it has gone up even more—28 percent—in this war.

Dairy production was up a meager 4 percent in the First World War. But it rose 14 percent between 1939 and 1943.

Chicken and egg production did not increase in the First World War at all, but it has increased 20 percent during the present war.

Now, the share of the retail food dollar that the farmer gets is larger than at any time since 1919. It reached 58 percent in 1943, going up from 42 percent in 1942.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. PATMAN. Does the gentleman mean that the farmer receives 58 cents out of every dollar that the consumer pays for food?

Mr. HAYS. Yes.

Mr. PATMAN. That is interesting because I think that is the highest that the farmers have received in 20 years. There has been a great deal said about the farmer receiving more and more of the consumer's dollar. Of course, the figures that have been presented conclusively prove that is true. So this is making a long step in that direction.

Mr. HAYS. Yes; it is a step in the right direction. I pause to say however that there are some important exceptions, when you consider the farmer's other crops. We are inclined to say in the South that he has not received enough of the dollar that is spent for cotton goods, for example; and when he gets only thirteen and a fraction percent of the dollar that goes into a cotton shirt, we think there should be an increase.

I am saying that since foodstuffs is a large item in crop production and in his income, and since he is getting 58 percent of the retail dollar, he has no ground for complaint on that score. There are many adjustments to be made, but, may I repeat, they are administrative and not legislative. I concur in what the gentleman from New Jersey [Mr. Kean] said regarding the distinction between the two types of relief.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. THOMAS of New Jersey. I am very much interested in what the gentleman has to say about the satisfaction of the farmers. I also come from a farming district, probably the largest farming district in New Jersey, and I have received more complaints from the farmers in my district than I have received from all other groups combined. The New Jersey farmer, as far as I know, is very dissatisfied with the administration—I will admit, the administration—of the O. P. A., and he has had many complaints. It has done the New Jersey farmer a lot of harm and put a great many of them out of business entirely. I hope we will do something in a legislative way that will help to correct some of these administrative ills in this O. P. A.

Mr. HAYS. I appreciate the comment of the gentleman. I think he would agree, however, that his colleague from New Jersey made an important point in saying we must not open the doors to other demands; that it is a very delicate problem and if we undertake to deal with all of the particular maladjustments, we may find ourselves in the same situation that the Congress once found itself with reference to freight rates and tariff schedules. We simply cannot legislate as to particular items on the floor of the House.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. I will tell the gentleman that if we do not legislate we will find that these bureaucrats, and some of them are right in the O. P. A., are going to run away with the barn as well as the horse. They have done a lot of harm and they are doing a lot of harm with this O. P. A. racket.

Mr. HAYS. The gentleman does not mean by that, surely, that O. P. A. is opposed to the farmers' welfare? I do not think he would make that general statement?

Mr. THOMAS of New Jersey. I will make this statement. There is no crazier agency in the Government today than the O. P. A. They can create more havoc than any other agency of Government I have ever heard of and they have created more distrust in Government and they have done more to hurt the New Deal party than all the Democrats combined. They are going to defeat the gentleman's party at the polls.

Mr. HAYS. I am not interested in political success. I am talking now about the welfare of the farmers as related to the welfare of this country.

Does the gentleman in this indictment include the present Administrator of O. P. A.?

Mr. THOMAS of New Jersey. No; I think the present Administrator has been a great improvement over the one we had before. Certainly the one you started out with, this man Henderson, just about ruined it, and he ruined it also for the Administrators that followed. Of course, you cannot expect anything different. He is a typical New Deal crackpot.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. HINSHAW. I represent a district which might be called a secondary agricultural district in that we have a very large amount of poultry production and, of course, the feeds that go into poultry production are the primary source of the agricultural output. Now the gentleman speaks of agriculture being benefited. I think if the gentleman would divide that as between primary agriculture and secondary agriculture, he would find primary agriculture has been largely benefited by receiving higher prices due to the parity formula that was introduced. The secondary industry being the poultry industry, has had to pay two and three times the price on the feed that goes into their part of the agricultural production. I think the gentleman ought to make a distinction between the two types.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 3 additional minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. I think that is an important point and I thank the gentleman for making it. He will remember that he and I joined in support of a resolution to provide some relief for the poultry producers and the dairymen of this country, those who must buy feed.

Mr. HINSHAW. The gentleman is correct.

Mr. HAYS. The gentleman's comment shows that some of these conflicts are inside agriculture. In other words, it is not agriculture against industry. Agriculture has divisions within itself that have to be reconciled.

Let me say in conclusion since my time is limited, that the farmer has profited by price control. A previous Congress

in an effort to do justice had given him price support assurances continuing by law for 2 years following the emergency. We must continue to assure him that the efforts he expends in producing food to feed our armies and the civilian population of this country and of our allies will be rewarded. He must also have the assurance that price controls will be maintained so that he will not lose what he has gained. I plead with the House to be cautious in making amendments to this bill. Let us protect the farmer but let us call upon him to make whatever sacrifices are necessary. We have asked both labor and industry to make them. The farmers are willing to make them. They have shown that they are willing to share in the sacrifices that are necessary to carry this war to a successful conclusion.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 2 additional minutes.

Will the gentleman yield to me?

Mr. HAYS. I yield.

Mr. BROWN of Georgia. The gentleman, I am sure, is in favor of the production of clothing for our Army and Navy at the production of low-price clothing for civilians.

Mr. HAYS. Yes; I am in favor of that.

Mr. BROWN of Georgia. The gentleman also knows that the Navy has recently called for 30,000,000 chambray shirts. The gentleman is in favor of obtaining those shirts?

Mr. HAYS. Yes, indeed. I might have something to say about the method in which that is to be provided; that it should be done without doing him a greater injustice, which would be the case if processors should undertake to capitalize the farmers' failure to secure parity in obtaining an unwarranted boost in their own prices.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. MONKIEWICZ].

Mr. MONKIEWICZ. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MONKIEWICZ. Mr. Chairman, after almost 3 years of life, the Emergency Price Control Act and the so-called Stabilization Act again come before us for action.

First of all, may I express my pleasure in the action of the House in voting down the previous question on the rule, and in accepting the amendment of the distinguished chairman of the Committee on Banking and Currency. I deem it an honor to be a member of this committee, and as a freshman it was a profitable opportunity for me, indeed, to sit in with the more-experienced members who had a thorough knowledge of this legislation, they having taken part in its origin. It was, indeed, a revelation to

me to find the devotion with which the chairman and the ranking minority member and all of the members on both sides of the committee approached this problem. All were most generous in their effort and energy to this legislation.

I say this with no intention of casting any reflection upon the work of the members of the Smith committee, which everybody acknowledges to have been of great assistance to our committee in its consideration of these measures. The Smith report and the so-called Smith bill proposing amendments to these measures were given thorough study and examination.

The two acts in question have been the subject of controversy and have received the attention of the general public. I believe, more than any other piece of legislation. The operation of this law and its effects upon the lives of the people have been discussed upon this floor frequently. The numerous letters received by Members of Congress from constituents, the various complaints made in this Chamber, together with the report of the findings of the Smith committee and its suggestions, furnished the members of the committee with plenty of material for inquiry, investigation, and examination for any desired improvement of the law. There was absolutely no reason, therefore, why the Committee on Banking and Currency could not have been considered to be well prepared and qualified to meet the many problems presented by these two acts.

Curiously enough, while this legislation did receive attention and criticism to an extent that those who feared changes deemed it necessary to bring pressure upon the members of the committee to prevent changes, and while a great many varied industries sought to be released from the operation of this law, these acts were amended only in minor respects and no drastic—or, as some term them, "crippling"—amendments were adopted. In my opinion, most of the amendments adopted were only what might be called clarifying amendments, seeking to express more clearly and definitely the intent of the Congress.

Very early in the hearings it became quite evident that the law was not going to receive a so-called overhauling. An examination of both the Price Control Act and the Stabilization Act disclosed that both were broad and quite thorough; that their provisions were so constructed that very little change was necessary. The dispute, if any, was with the administration of the acts rather than with the acts themselves. Indeed, when some changes were proposed those who stood by the acts and opposed any changes, and even members of the agency itself, pointed out and argued that the end sought could be gained under the present wording of the acts, if the administration of them was steered in that direction. The purpose of the law is quite important and apparent. A most substantial number of our people agree that as an emergency measure in these times this law is very essential. Although I disagree with those who say that the sentiment is almost unanimous in favor of this law. Those who say so

base their statements on some polls that were made and mail that they received. I, for one, have received some mail urging the absolute repeal of this law and advising that this country would be better off by returning to the law of supply and demand. Indeed, I would caution that it would not take much to arouse the sentiments of the whole country overwhelmingly against this law. I am willing to state that if the people of our country should become suspicious that by this law their method of living was in danger, or that revolutionary steps were being made to affect business permanently, much commotion and great consternation would result and a demand for an immediate repeal of the law would follow. If it appeared that the law operated in a manner that prices were affected by profit and that an emasculation of our business methods was in progress, this law would receive universal condemnation. Under our system we have always encouraged efficiency. Experience shows us that the progress of our country owes most of its success to efficiency and any theory creeping into our lives tending to destroy or discourage this philosophy would undermine the very foundation of our existence.

It is necessary, therefore, to remind ourselves constantly why we did and why we are extending this law. We must destroy any effort on the part of anyone to retain this law after the need for it expires. And may I issue the warning that even now if there appeared any tendency to perpetuate any of the operations of this law it would produce immediate disregard and disrespect for it.

Much concern, of course, was furnished by the situation created by rent control. The law to a certain extent operates in favor of the bullish real-estate manipulators who took advantage of the situation by raising prices before the law went into effect. The owner of residential property, the elderly couple, the widows and orphans who depended upon real estate as a means of livelihood were the ones who shared the troubles of their tenants during hard times and did not immediately raise prices when people began going back to work. They were left holding the bag. It is hoped that with the amendments adopted in committee and with a more liberal administration of the act, many of the injustices might be corrected. The provisions for individual adjustments in cases where the rent on the maximum rent date for any housing accommodation is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the area or comparable housing accommodations, if conscientiously administered, is a great improvement to the Price Control Act. Likewise, the amendment which will provide the Administrator with a pattern for abolishing or re-establishing defense rental areas is an important addition to the law.

There was much evidence furnished the committee that in some respects the operation of the acts has been improved upon. The history of the O. P. A. shows that within its brief existence three different Administrators have had an opportunity to apply their respective ideas

and methods. Undoubtedly there must have been very many difficulties in setting up the organization originally and undoubtedly a great many problems had to be overcome. No one can question the fact that the novelty of this law created many obstacles, which were overcome. But it appears that there have been a great many mistakes made—many of them very bad. Some of the injustices were corrected, but a great many of the difficulties still remain. A lion's share of thanks for any success of the operation of the Price Control Act must be expressed to the many loyal patriotic people who serve on local ration boards. These people devote most of their spare time to a responsibility which is thankless and for which they receive no compensation whatever. It is these people who come in direct contact with the consumer and who suffered much abuse while the people were becoming accustomed to the adjustments necessitated by the law.

I have made it my business to write to every one of the chairmen of the local boards in my State seeking information from them regarding possible improvements in the operation of the law. Answers to these letters were quite revealing; some very valuable suggestions were provided and I have inserted some of these letters into the minutes of the hearings.

Among the most prominent of the complaints were those directed to the orders and regulations issued by the Administrator in dealing with rationing. These regulations are so written that an ordinary person is in no position to decipher them without the aid of a staff of experts engaged in research work to chase down the sections of the law and paragraphs of various orders and regulations previously issued by the Administrator. I have been told that when information was sought at district headquarters, the meaning of the regulations was not available for some time and quite frequently by the time the answer was received, a new order or regulation appeared in just as complicated form rescinding the previous one and substituting new provisions. This created much confusion and uncertainty. It placed many people in danger of being accused of a violation of the law and while they could be found guilty only of a willful violation they were nevertheless placed in jeopardy of prosecution.

Mr. Chairman, I have seen some of these regulations and they have the semblance of something written in code. In fact, when I read one of them to the Administrator he admitted that he was embarrassed.

This situation has led to a practice which seems to have solved the problem for the present at least. Certain distributors and wholesalers have assumed the responsibility of decoding these regulations and translating them into what is known as trade language. Much credit must go to the resourcefulness of these people because they not only improved the conduct of their business in their relations with their buyers and retailers, but they actually performed a function of the O. P. A. by giving people

something by which they could be guided. This also presents its difficulties, however, because not everyone understands trade language and even these translations may be misinterpreted by people unaccustomed to trade terminology. It has become customary by most local boards to depend upon these translations instead of trying to decipher the regulations. I have found that this procedure has been approved by the Administrator, but that it has no official standing so that any errors made are at the risk of the ones who make them.

Mr. Chairman, I introduced a resolution seeking to have these regulations written in plain, simple, understandable English language. I offered my resolution in committee as an amendment to the act. My amendment was turned down by the committee and I shall not offer it here in view of the objections made to legislate in this form and in view of the fact that since I introduced this resolution much improvement in the writing of these regulations developed and the Administrator has promised that further efforts to correct these difficulties will be made.

In view of the very many new problems that this law presented dealing with the everyday lives of our people, I think that our committee used good judgment and wisdom in providing that the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives shall be authorized to conduct investigations as a whole or by subcommittee and report from time to time to the Senate and the House of Representatives of the results of such investigations. This amendment may prevent any serious departure from the intent of Congress because it makes the administration of the law subject to a constant check of that body which created and extended it. Perhaps some argument might be advanced that this is an interweaving of the responsibilities of the legislative and administrative bodies of our Government. But since this is a law instituted only for an emergency period, such argument may well be withheld.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GAMBLE] to use as he may see fit.

Mr. GAMBLE. I thank the gentleman very much. I now yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, in view of the fact that those in charge of this bill have denied time to some of us who have worked off and on over a 15-month period and who wanted to present amendments to take care of some of the wrongs of which our constituents complain, and in view of the fact that although the gentleman from New Jersey [Mr. HARTLEY] has spent something like 15 months on a committee which has conducted hearings on this same matter, has been given only 15 minutes, I am going to yield back my 10 minutes so that the gentleman from New Jersey may have that time.

The CHAIRMAN. The gentleman from Michigan yields back 9 minutes of his time.

Mr. GAMBLE. Mr. Chairman, I now yield 24 minutes to the gentleman from New Jersey [Mr. HARTLEY].

Mr. HARTLEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman may, without objection, have permission to revise and extend his own remarks but permission to include anything else will have to be obtained in the House.

There was no objection.

Mr. HARTLEY. Mr. Chairman, due to the fact that I hope to cover quite a bit of ground I am going to decline to yield until I have finished my statement.

Mr. Chairman, I quite agree with the gentleman from Arkansas [Mr. HAYS] that the farmers of this Nation are willing to make whatever sacrifice is necessary in the effort to win the war. That is true of all the American people. We are all willing to make whatever sacrifice is necessary in the effort to win the war. But by the same token the American people, and we as their representatives in the Congress, have a right to complain of and a duty to try to correct any hardship or any suffering that is the result of incompetence, inefficiency, and plain downright cussedness on the part of executive agencies here in Washington.

Approximately 15 months ago this House by resolution appointed a select committee to investigate complaints of abuses of authority on the part of executive agencies. Within 1 month after the creation of that committee we had received over 1,400 bona fide complaints and inasmuch as most of them concerned the Office of Price Administration, we started our investigation there.

We first investigated the O. P. A. administration of rent control, and we found that they had violated not only established customs in private business but that they had violated established Federal practices, practices of other Federal agencies as well. We found that they had interfered with leases that had been in effect for years. I will mention one in particular on the west coast. There was a lease in effect which provided that the occupants of an apartment house could not keep pets. Several of the tenants kept dogs and cats and so forth. The owner of the apartment house tried to obtain an eviction. It was a part of the lease that there was a prohibition against the keeping of pets in the house. The O. P. A. said, "We will permit you to obtain an eviction only if you prove that the dog is damaging the property; secondly, if you can prove it is objectionable to all the rest of the tenants; and third, if you can prove that it is not house-broken." How the landlord would prove the latter without producing the corpus delicti is beyond me.

We further found that by a series of radio broadcasts and so forth, rent control was being administered as though it had been written solely for the tenant, and a deliberate attempt was made by the rent control division to incite the tenant against the landlord.

We found, too, that rather vigorous methods were used by the enforcement division. I am going to read this letter rather rapidly because it is lengthy and I do not want to take up too much time, but here is a letter that was sent out by the enforcement agent to hound a woman who happened to violate one of the rent control ceilings. In this letter he said:

Pick up all original ledger sheets from former owner, Marie Laechelt, 1950 Caroline Avenue (234 East Fifth Street, care of Art's Restaurant) showing rent collected on each apartment from February 1, 1942, until December 1942 (when property was sold). In the event Laechelt has destroyed her books secure affidavit from her regarding the rent collected on each apartment by her on February 1 and March 1, 1942, and from whom; also rent collected on December 1, 1942, and the name of the tenant in occupancy in December when property was sold to Mrs. E. N. Brunner. Check with Laechelt and find out if the rental also included garage, or was garage rented separately.

Call on Chester C. Sudbrack, real-estate operator and rental agent for subject property, and check his books for rent collected on this property from December until present time; where rent was raised on any apartment direct or through the taking away of the use of garage; secure original ledger sheet showing the month when raise took place and all subsequent months raised rent was collected.

Find out nature of agency between Mrs. E. N. Brunner and Sudbrack, ascertain if it is a general agency with full authority or a limited agency, whereby Mrs. E. N. Brunner must O. K. any raise in rents, repairs, etc. Does this agent have an agency contract with subject in writing or a verbal contract? Obtain all pertinent information regarding Sudbrack—age, family, standing in real estate board, any and all information regarding his character, etc. Does Agent Sudbrack forward Mrs. E. N. Brunner monthly statements showing rents collected, and amounts, less repairs? If so, obtain originals from Mrs. E. N. Brunner, and copies from agent. (If copies only secured, check with books for accuracy and have Sudbrack initial same). In the event Sudbrack will not produce and give up original ledger sheets, contracts, etc., make copies from his books, compare copies in his presence and have him initial same, showing that copies are exact copies taken from his books.

Call on Mrs. E. N. Brunner, 2613 Vine Street, Cincinnati, Ohio. Find out when she purchased subject property, what other property she owns, here or elsewhere, pick up or make copies of all rental statements in connection with subject property. Pick up or make copies of all ledger accounts, etc., in connection with this apartment house or any other apartment or housing accommodation owned by subject that you find are renting now for more than rental on March 1, 1942. Be sure and have Mrs. Brunner initial all copies that you make and press upon her to keep same intact for future surveillance by this office.

When did she first learn of the regulations concerning rents in this defense-rental area; how were these regulations brought to her attention—newspaper, radio, personal contact with rent office or otherwise? Ascertain why rents were not reduced upon her learning of regulations, and refund made to tenants of all rent collected by her or her agent since effective date of the act, as provided in regulation, November 1, 1942. Is she a willful violator or misinformed by her agent or attorney?

Where does she work; who is her immediate employer; how long has she worked in present employment; is she married, widow, or single; if married has she any children, and

how many, and what sex? Is she native of Cincinnati; who was or is her father or mother, names of all sisters and brothers?

Procure, if possible, any other violations from a check of the books of agent Sudbrack, check books in his office and determine if he has collected rents in excess of March 1 levels on any other properties. If so, obtain all pertinent information from his records, such as name of owner, location of property, name of tenant, original ledger account or copies (initialed).

And listen to this, the last paragraph of the instructions:

You are to confine your investigation insofar as possible to the information asked for in the memorandum. Report in detail and await further instructions.

We had case after case, of course, called to our attention where owners of property who had made prudent investments were losing their property because their costs had risen but their ceilings had not been changed. You may wonder why such conditions exist, but they will continue to exist unless we modify this rent-control section.

Mr. ROLPH. Mr. Chairman, will the gentleman yield before he leaves rent control?

Mr. HARTLEY. I yield.

Mr. ROLPH. I want to compliment the gentleman for the very effective work he and his committee did in developing this rent data. I want to thank him for the opportunity of appearing before his committee and setting forth some very interesting cases.

Mr. HARTLEY. I appreciate the gentleman's expression and want to thank him for cooperating with our committee.

Mr. HOFFMAN. Would it not be nice to have the committee put something in there amending the law to prevent that thing?

Mr. HARTLEY. We will propose an amendment which will give us real rent control—which will, in fact, strengthen it.

Mr. HOFFMAN. But to do that the gentleman will need the support of the gentleman from California and a great many others.

Mr. HARTLEY. Yes.

Mr. GAMBLE. Mr. Chairman, if the gentleman will yield I might say that the gentleman from California offered that amendment in the committee but was defeated.

Mr. HARTLEY. I am glad the gentleman did and want to compliment him for having done so.

Mr. ROLPH. I am always pleased to propose and support helpful legislation.

Mr. HARTLEY. I want to tell you why these conditions exist; I want to read to you—and this document I have in my hand is the official transcript of the testimony taken before our committee—I want to read to you from a book written by Prof. Tom Tippet. You may have the impression that Mr. Ivan Carson who has had experience in the real estate field is the real rent administrator, but he is not. The man who actually runs the show in the rent-control office of the Price Administration is Director of Personnel, Prof. Tom Tippet, formerly of Brookwood Labor College, who hires and fires every rent director in the United States. I want to

read to you Professor Tippet's conception of the Constitution of the United States. He wrote:

We have often been told that the men who started this Government were wonderful, all-wise men, who were acting for the good of all the people forever after. We are often told that the United States Government is perfect and is equally fair to all. But as a matter of fact, the men who started the United States Government, although they were able leaders, were also property owners.

Now, is not that just too bad. Let me read further from Professor Tippet's book. He said:

We said before, the men who wrote this Constitution did not do a very good job, but as we said before, they were not drawing up a Constitution for the welfare of the people as a whole. They were trying to set up a government which would protect their interests as property owners.

I ask you—or I will make a positive statement: That in my opinion any man holding such a conception of the Constitution of the United States not only should not be in control of the Rent Division but he should not have any position on the pay roll of the Government of the United States.

Now I want to turn from rent control to the Gasoline Section of O. P. A., and once again I want to remind you that it was under the head of a personable young man of 33 years of age, college professor Dr. Phillips. I have no animosity toward this young man. He has since been boosted into the position formerly occupied by Col. Bryan Houston; but here is a young man administering gas rationing with totally no experience whatsoever in either the petroleum or automotive field and little if any practical business experience in any other field.

I want to turn from him to the Textile Division. There was a regulation written concerning the woolen industry, which had a very adverse effect on the largest woolen mill in the United States. I may say that 90 percent of its business was with the Military Establishment. Their only civilian contract was that of a jobbing business which they had built up. The effect of the regulation was that they had to run it at a loss of \$300,000 a year or be put out of that business. They appealed to O. P. A. and O. P. A. said: "You can absorb that \$300,000 loss in the balance of your business; that will just be a casualty of the war."

They came before our committee and we called the Textile Division in. It was headed by a professor, a Dr. Haley, who has since been kicked upstairs, under the Dirksen amendment they kicked him upstairs—they get them out, then they kick them upstairs. We called in Dr. Haley of the Textile Division and asked him who wrote this regulation that had this baneful effect on this company. After a lot of pulling and hauling and digging around it finally developed that it had been written by a 23-year-old boy only 2 years out of college whose only previous job was that of a stockroom clerk at 50 cents an hour, who came to O. P. A. at \$1,440 a year and who within a year by some method that has never been satisfactorily explained was getting

\$4,200 and carried the title of "economist."

Mr. VURSELL. Mr. Chairman, will the gentleman yield at that point?

Mr. HARTLEY. I shall be pleased to.

Mr. VURSELL. I wonder if he was not one of the "indispensable" young men.

Mr. HARTLEY. You would be surprised how many of these men are called indispensable to the war effort. I for one am of the opinion they would be doing a far better job if they were in uniform.

I want to turn now from the professors to the legal talent we find in O. P. A. Do you think they are men of experience, of years of training before the courts of this land? Not the ones we have come in contact with during the course of this investigation. Most of them are young whippersnappers who hopped right from law school onto the Federal pay roll, few having practiced in the courts of the country. These youngsters are the ones who are writing the regulations that have businessmen tearing their hair out all over the United States. We called some of them before the committee. We asked what their authority was for this legislation. They said: "We have that right under section 2A." Then we found another document and asked them if that was the regulation and they said: "No; this is an interpretation of the regulation under that statute." The gentleman from Virginia [Mr. SMITH] then asked: "Why do you not write your regulations so they will not need interpretation?" So then we came to another form and we asked whether or not that was a regulation or an interpretation and they said: "No; this is a memorandum of the interpretation of the regulation under the statute."

Did that finish it? Not at all. We found something else and asked whether this was an interpretation or a memorandum, and the witness said, "No; this is a comment on the memorandum of the interpretation of the regulation under the statute."

Let me remind you that the Declaration of Independence was written in 1,321 words; the creation of the world was told in the Book of Genesis in 400 words. The world's greatest moral code, the Ten Commandments, required but 299 words. Lincoln's Gettysburg Address required 266 words. But it required on the part of the Office of Price Administration 2,500 words to write a regulation telling the bakers of the country how to bake fruit cake, and after the regulation was sent out there was not a baker in the United States who could bake a fruit cake under it. They came down here and complained. They asked, "Will you shorten it up and make it brief? Will you simplify it for us?" Well, they did shorten it. I will leave it to you whether they simplified it or not. This is amendment 7 to maximum price 319:

All commodities listed in appendix A are those known to the trade as such excepting therefrom such thereof, if any, while subject to another regulation.

Now, go out and bake yourself a fruit cake.

Oh, do you think that is all? Suppose you were in the restaurant business and you wanted to get a regulation for example to cover pork chops, or roasts for lunch. Here is the Federal Register, page 101, of Tuesday, January 4, 1944:

Example: A week day roast pork dinner would be in a different class from a week day roast pork lunch or a Sunday roast pork dinner or a week day vegetable plate dinner, but would be in the same class as a week day pork chop dinner.

Now, I want to turn to mashed potatoes and I do not know whether this is the first or second helping. Here is what they say about mashed potatoes:

Example: Mashed potatoes offered à la carte for week day lunches would be in the same class of food items as potatoes au gratin offered à la carte for week-day lunches, but would be in a different class than mashed potatoes offered à la carte for week-day dinners or Sunday suppers or in connection with other meal menus if during the base period they were customarily distinguished in price or otherwise.

Mr. Chairman, this is amusing, true, and others can be cited, my goodness, some wonderful gags can be written around these things. There is a serious side to this. I want to remind you that during the life of the price control law the Congress has written a total of 522 public laws. During that same period the Office of Price Administration has written a total of 3,196 rules, regulations, memoranda, whatever they may be, all of which carry the effect of law. That is a mighty dangerous situation. It is usurpation of the legislative functions of this Government.

I recognize, as the gentleman from New Jersey [Mr. THOMAS] stated a while ago, that there has been some improvement in O. P. A. Mr. Bowles, in my opinion, is a marked improvement over the original Administrator, but may I say to the House this afternoon that even though Mr. Bowles has brought some businessmen into O. P. A., the Leon Henderson clique still rules O. P. A.

Let me give you an example of that. You might have read recently of the resignation of Col. Bryan Houston, a man with years of experience in the petroleum industry, who was head of rationing down there. But the enforcement boys, the attorneys, were taking over the business of rationing as well as their job of enforcement. Who was it that forced Colonel Houston out? It was Isador Polier, enforcement attorney. Mr. Polier was a member of the International Juridical Association and who, back in 1925, wrote to our colleague, the distinguished majority leader, then investigating un-American activities, the following:

We desire to express to your committee investigating un-American activities, our disapproval of the use of the power of the Federal Government to suppress so-called radical propaganda.

We wish to go on record specifically as opposed (1) to the proposal to bar from the mails all publications of Communist origin; and (2) to strengthen already too severe immigration and deportation laws so as to render Communists deportable as such; and (3) to the proposal to enact a Federal sedition statute under which mere opinions, beliefs, or utterances could be penalized.

Let me read to you from the preamble to the constitution of the American section of the International Juridical Association:

Present America offers the example of a country discarding traditions of liberty and freedom and substituting legislative, administrative, and judicial tyranny. This country, once known to the world as the haven of refuge of oppressed peoples, now excludes, or deports, those daring to voice unpopular opinions; with a Constitution supposed to protect freedom of expression, it now persecutes and imprisons its political dissenters.

Mr. Chairman, that is the type of influence you find down there in O. P. A. and the type of influence I am unwilling to allow to go on without providing some restrictions.

Mr. Chairman, let me tell you that we examined a memorandum that passed between the former chief counsel of O. P. A. and the chief economist, in which it was admitted that they were going to use the price-control machinery not merely to control inflation and prices as such but to control profits as such.

It is my opinion that there is a widespread infiltration of that school of thought which believes in production for use and not for profit. They do not believe in the parliamentary system of government. They believe our courts are outmoded, and that is why they do not want to give the private citizen the right to go into the courts of this land.

What are we going to do about it? I say that this House ought to have the courage to permit a citizen to go into court and to take O. P. A. into court just as O. P. A. can take him into court. It has been suggested that such right would permit a variety of decisions and would permit all sorts of chaos to develop. Let me remind you that the amendment on court review that we are proposing provides that the order of the Administrator will not be stayed until the issue is finally determined in the highest court; so the argument opposed to our amendment falls of its own weight.

What else do we want to do? We want to provide relief in hardship cases, and when I say relief, I mean real relief, and not leave it up to the discretion of the Office of Price Administration. We want to give the average citizen the right to go to O. P. A. and where he has made a prudent investment, where he is operating efficiently, and where his costs have risen so that he has to operate at a loss, he shall be given relief. Is there anything unfair about that?

There is another proposal that we are going to offer and that has to do with the so-called high-priced-line limitation. I propose to offer an amendment to eliminate this high-priced-line limitation. What does that regulation of O. P. A. do? Well, for example, if the gentleman from New Jersey is in the dress-goods business and during the base period he never sold a cotton dress for more than \$2, today he cannot sell a cotton dress for more than \$2. But if the gentleman from Ohio who operates a higher-price store, with more exclusive dresses, sold some cotton dresses during the base period for \$5, he may today sell those dresses for \$3.98, whereas the gen-

tleman from New Jersey is not permitted to sell them for \$2.98.

The regulation is in itself inflationary and we propose to correct it. It does not interfere with price ceilings whatever. It will simply give the low-price concern a chance to go out into the competitive market and do business. I hope the House will stand up and answer the complaints of the American people and get some equity into price control.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his own remarks in the RECORD.)

[Mr. MONRONEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present; not a quorum. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 83]

Abernethy	Gifford	O'Hara
Allen, Ill.	Gilchrist	O'Neal
Andrews, Ala.	Granger	Pace
Andrews, N. Y.	Green	Peterson, Ga.
Arends	Harris, Va.	Philbin
Baldwin, Md.	Heidinger	Ploeser
Bates, Ky.	Holmes, Mass.	Plumley
Bennett, Mich.	Howell	Ramspeck
Bland	Johnson	Randolph
Bloom	Calvin D.	Robinson, Utah
Boren	Kefauver	Rohrbough
Buckley	Kelley	Sadowski
Burdick	Kilburn	Satterfield
Byrne	King	Schiffler
Cannon, Fla.	Kleberg	Short
Carter	Klein	Sikes
Chapman	Lea	Simpson, Pa.
Clark	Lewis	Smith, W. Va.
Courtney	Luce	Stanley
Curtis	Lynch	Starnes, Ala.
Davis	McCord	Stearns, N. H.
Dewey	McMurray	Stewart
Dickstein	Magnuson	Stockman
Dies	Maloney	Sullivan
Dingell	Marcantonio	Tarver
Dondero	Martin, Iowa	Taylor
Ellison, Md.	Mason	Treadway
Engel, Mich.	Merritt	Vincent, Ky.
Fay	Morrow	Vinson, Ga.
Fitzpatrick	Miller, Mo.	Weichel, Ohio
Fogarty	Monkiewicz	Weiss
Forand	Mundt	West
Ford	Murphy	Whelchel, Ga.
Fulbright	Murray, Tenn.	White
Fuller	Newsome	Whitten
Furlong	O'Brien, Ill.	Woodruff, Mich.
Gallagher	O'Brien, N. Y.	
Gibson	O'Connor	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union reported that that Committee having under consideration the bill (H. R. 4941), and finding itself without a quorum, had directed the roll to be called, when 315 Members answered to their names, disclosing that a quorum was present, and he submitted herewith the names of the absentees to be spread upon the journal.

The SPEAKER. The Committee will resume its sitting.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MONRONEY] is recognized.

[Mr. MONRONEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, we spent a great deal of time in our committee trying to work out a satisfactory extension of the Price Control Act. I doubt very much if the bill that we brought in satisfies everybody in the Congress, but, in my opinion, if the thing is studied carefully and if it is given the same amount of thought that we gave in committee, it will be found that this is the very best bill that could be brought out. You might have some exceptions to this, for that, or for the other thing, but we might absolutely disrupt price control if we adopted the exceptions. We avoided that error.

Mr. Chairman, we tried to make this bill one that would keep ceilings on prices, one that would prevent prices from rising, and one that would be fair and equitable to everybody in the United States.

There were a number of amendments proposed in the committee for which different industries and organizations throughout the country argued, but I voted against them. I admit that very frankly. I have no hesitancy in saying it publicly on the floor. I voted against them. Why? Simply because if you open this thing up you are going to destroy price control and I do not want to see this done. I want it continued.

Mr. Chairman, I ask the membership of the House to support this bill 100 percent; I ask the Members of the House to stand back of the committee. We have reported this bill by practically a unanimous vote and I should like to see all Members of the House stand back of the judgment of the committee which devoted 2½ months of serious study to this problem.

Mr. Chairman, Members may have some ideas, I might have some ideas; there may be things I would like to see added to the bill, there may be some things I would like to see taken from it; but by and large, as I stated before, this is one of the best bills ever brought before the Congress by a legislative committee of the House. Our distinguished chairman, our minority leader, the majority of the Republicans, and the majority of the Democrats are back of this bill. If we start ripping it to pieces by adding amendments, price control will be destroyed. Therefore, as one member of the Committee on Banking and Currency I shall oppose any amendments, whether I think they are beneficial, whether I think the people have made out a case for them or whether I do not, because we have a good bill. The only exceptions will be the amendments to be offered by the gentleman from Michigan [Mr. WOLCOTT], whose theory on this is

the same as mine. I want to get this bill through in the manner it was introduced, in the manner in which the Banking and Currency Committee has reported it.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. KUNKEL. I yield to the distinguished gentleman from Texas, chairman of the Judiciary Committee.

Mr. SUMNERS of Texas. Does the gentleman not feel that in connection with the work done by his committee and the administrative officers that you have established a sort of common understanding between the legislative agency and the administrative agency with reference to this subject?

Mr. KUNKEL. I may say to the gentleman that we expect to do that under the amendment proposed by the gentleman from Oklahoma [Mr. MONRONEY].

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KUNKEL. Mr. Chairman, if we have not done that under the amendment proposed by the gentleman from Oklahoma [Mr. MONRONEY], which permits the Banking and Currency Committee of the House and the Banking and Currency Committee of the Senate, or any subcommittee that these committees may see fit to establish, we certainly will do it from this point on.

Mr. SUMNERS of Texas. In your contacts in working out this bill, in meeting with the representatives of the administrative agency, the gentleman being the representative of the Congress, does the gentleman feel that you have come to a sort of common understanding between you, as a member of the legislative committee, and these gentlemen as members of the executive branch of the Government, dealing with this subject?

Mr. KUNKEL. No; I do not agree with the gentleman. I do not think that we can say that we have reached quite that common understanding. From this point on we will have to give them our viewpoint and they will have to give us theirs. We have reached that much of a common understanding at this point of price-control administration.

Mr. COX. Will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Georgia.

Mr. COX. I wonder if the gentleman and his committee in their examination of this question did not find in the administration of the Rent Control Act that which an open-minded, sincere person would take to be an angry hostility toward private ownership?

Mr. KUNKEL. I do not know whether we might say that or not. The Rent Control Administration is particularly concerned with the renter rather than the landlord. It is not the idea of the Rent Control Administration to destroy the rights of the landlord. Most Members of Congress believe that is true. I believe they are doing the best they can under a very difficult situation. I do not see how it could be handled legislatively. I would like to see it handled administratively.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. POAGE].

GUAYULE PRODUCTION

Mr. POAGE. Mr. Chairman, within the next few days this House will be called upon to vote on the conference report on the agricultural appropriation bill. We have expected this report to be called up for the past couple of days. The chairman of the subcommittee in charge of the bill has suggested that he did not desire to have the report considered at the end of the day with a small attendance and with inadequate time to discuss its vital provisions. I hope that it will be possible for this report to receive the full consideration which I think it deserves. It contains many very important provisions. I desire to briefly discuss the provisions relative to the continuation of the development of natural rubber within this country. The conferees on the part of the House have recommended that the entire native rubber project be liquidated within the coming year. The Senate, on the other hand, recommends that the project be allowed to continue at its present size so as to avoid the criminal waste that I feel would accompany liquidation. A motion will be made to recede and concur. This motion will, if carried, mean that the present plantings of rubber-producing plants will not be destroyed, although they will not be increased. It will also mean that the very splendid experimental work that is now being conducted will continue. I hope this motion will prevail.

Some 2 months ago I was named as chairman of a special subcommittee of the Committee on Agriculture, which was instructed by this House to study all of the various possible sources of domestic rubber. My colleagues on that subcommittee are: Hon. ANTON J. JOHNSTON, of Illinois; Hon. VICTOR WICKERSHAM, of Oklahoma; Hon. JOHN PHILLIPS, of California; and Hon. JIM MCCORD, of Tennessee. Our study has not been completed, but it has gone far enough for us to arrive at the definite conclusion that the guayule plant offers by far the best prospects for the production of natural rubber in the United States at this time. Possibly this is due to the fact that guayule is almost the only rubber-producing plant growing in the United States on which any work has been done, and precious little research has been done on it. We do not know how far north it will grow. We do not know the best methods of harvesting. We do not know many things about this plant that we would like to know, but we do know that it will produce an appreciable amount of commercial rubber in the United States. Your special committee is therefore in unanimous agreement that the present program of guayule production and experimentation should be continued at least until after the war, or until some other reliable source of rubber becomes available.

We do not claim that our judgment is better than the judgment of the majority of the Subcommittee on Agricul-

tural Appropriations, but we do believe that we have had far greater opportunity to study this question than have those gentlemen. Our special committee is unanimous in its decision. I understand that the membership of the Appropriations Subcommittee is not in agreement among themselves, nor is the majority of that subcommittee in agreement with the Members from the other body who studied the same question. Moreover, since the question here involved is not one primarily involving the amount of money, but rather one of whether or not the guayule project should be liquidated, I feel that the recommendation of the legislative committee is entitled to great weight. The special subcommittee, of which I am chairman, was not appointed until after the Appropriations Subcommittee had made its decision to terminate this rubber-research work. We have, however, within the short time we have been organized, actually seen the project. We have talked with farmers who have grown guayule. We have visited the mills, the laboratories, the fields, and have seen just what physical properties our conferees would have us junk. We have visited the tire factories and have seen guayule rubber actually used in commerce. We have not only talked with the witnesses who appeared before the Appropriations Committee but we have also talked with officials of the great tire companies of America. We are convinced that it would be unsafe to destroy this rubber at this time. The House Committee on Agriculture has officially expressed its belief that this action would be unwise. I submit that the Appropriations Subcommittee is going rather far afield when it attempts to dictate the policy we should pursue in regard to the development of native rubber in this country.

Let us first consider our war needs. We have about 33,000 acres of guayule now growing—about 32,000 acres of it in California. Most of these plants are less than 2 years old. If left until they are 4 years old, we can expect between 25,000 and 30,000 tons of rubber. If cut now, as the gentleman from Georgia [Mr. TARVER] would have them cut, most of this rubber will be lost. Can we afford to lose this rubber? I do not think so. We are, it is true, producing great quantities of synthetic rubber—some of it very good for certain purposes, but none of it interchangeable for all purposes with natural rubber. We must still have natural rubber in substantial quantities. Our monthly consumption of natural rubber far exceeds our monthly replacements in spite of the tremendous sums we have spent to get South American rubber—and we are nearing the end of our stock piles of natural rubber. This acreage of rubber is absolutely the only source of natural rubber we have in commercial quantities within the United States today.

When our subcommittee was in California, the Navy Department voluntarily sent its own experts to appear and tell us of the Navy's need for this rubber. The Army had investigated guayule years ago. In fact, 14 years ago the Army ap-

pointed two officers to study this very program as a policy of insurance. After a very exhaustive survey, they recommended that we should plant and keep in being 400,000 acres of guayule to meet just such an emergency as we have today. I have a copy of that report. It is signed by the man who is at this minute leading the invasion of Europe—Gen. Dwight D. Eisenhower.

The Rubber Director, Mr. Bradley Dewey, told our committee that it would be criminal to destroy any natural rubber that we have. I submit that it would be criminal to destroy this, our only domestic reserve of natural rubber, before we know that the war is over. It may be years before we are able to import hevea, rubber from the East Indies. No one knows when, if ever, the chemists will produce a synthetic rubber satisfactory for all purposes. They have not done it yet. Unless the conferees can give us some positive assurance that the Japs will be defeated and our trade routes open to the Far East during the next year, or that science will be able to produce an entirely new and better synthetic rubber, it seems to me that we should keep this insurance premium. I hope we never need a pound of this guayule rubber just as I hope I never have to collect on my personal insurance policies, but just as I carry insurance I believe our Nation should continue to pay the premiums on the policy until our need for it is past. The War and Navy Departments say it is not past. The Rubber Director says it is not past. In fact, Mr. Dewey said before our committee:

Until we can see our books are in balance on new supplies of crude rubber, I do not think we can afford to sign off our insurance policy. This is insurance. It is rubber that is now in the bush. Moreover, new rubber is being added to it. I cannot conceive of liquidating crude rubber today.

Our special committee agrees unanimously with our military, naval, and rubber experts. We are not willing to gamble with this vital commodity. We believe that from the standpoint of stern war needs alone that we should not destroy this rubber.

Turning to the question of establishing a peacetime industry in the United States, we believe that it is sound for our Government to carry on all of the necessary experiments to determine whether we can hope to produce natural rubber on an economical basis in this country. If we can produce our own rubber at a reasonable cost, it would, of course, mean a great deal to agriculture throughout the Nation. A new major crop is important and helpful to all sections, not simply to the section where the crop is produced. But for a new crop to be helpful, it must be able to stand on its own merits economically. Our special subcommittee cannot tell you what the world price of rubber will be after the war. The Japs may return the Hevea rubber plantations of the Far East uninjured, but I doubt it. Wages in the Indies may remain at pre-war levels, but I doubt it, and if wages go up in those distant lands the price of rubber must go up. Before the war, Hevea rubber brought 22 cents in the United States.

After the war, the cost of synthetic rubber may be greatly reduced but inasmuch as synthetic rubber is largely produced from petroleum which is now selling at little more than 50 percent of parity as a result of artificial control of the price, it seems unlikely that the synthetic product can hope to reach the low price levels that it must to compete with natural rubber. In any event, there must be further improvements in the quality before it can entirely displace natural rubber, no matter what the price. These things may happen. We certainly do not want to be understood as saying that the production of guayule rubber is sure to be profitable after the war. There may be no market at all—but what commodity do we produce that does not face the constant threat of chemical or synthetic competition that may completely replace it on the markets of the world?

We do know that guayule is now being produced in Mexico and is being sold commercially at 28 cents per pound f. o. b. New York. We do know that several farmers who had produced guayule in California testified before our special committee that they would gladly undertake to grow guayule if the Government would guarantee them 28 cents per pound. It seems reasonable that after the war our own farmers will be able to produce guayule profitably at around 25 cents per pound. It is entirely possible that this will be cheaper than either East India hevea—natural—rubber or synthetic rubber. If it is, there is every reason to think that we might establish an important new industry in the United States.

We do not know just how far north guayule will grow. We do know that it will grow over the southern parts of Texas, New Mexico, Arizona, and California. It may be possible to develop plants that will stand much more cold. The Russians report that they have done so. We do not know the best methods of cultivation, harvesting, or extraction of the rubber. In the 2 years the Department of Agriculture has been working on the problem it has been able to cut the cost of germinating the seed, establishing the plants, and eradicating the weeds by possibly 50 percent, and to reduce the manpower needed by probably 75 percent. Such progress is worth while. I believe we should continue our experimental work. The House conferees would bring all this research to an end.

I hope that the Members of the House will not take the gamble with a critically needed resource that the conferees want us to take. Perhaps we may be lucky and not need this rubber, but what if we are not lucky?

(Mr. POAGE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

[Mr. PATMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. PATMAN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, I appreciate the fact that something must be done to prevent the inflation which we had following the First World War and which could follow this war; therefore we must have a price-control bill. With this fact in mind the Committee on Banking and Currency unanimously reported the pending bill, but in this fashion: Everybody has the right to offer an amendment to the bill or to vote for other amendments. This measure was reported on the theory that we must have a price-control bill. Yet if we can improve the price-control law, a law that affects every man, woman, and child in America, I know that we will not hesitate to change the bill as it was reported by the Banking and Currency Committee.

I think the committee has improved the basic law. Some amendments will be offered that are not crippling amendments; that will perfect the law. Let us not assume the attitude that one man or one agency can write the laws for Congress. I am for price control, but I have an amendment which, in my opinion, will strengthen the measure reported by the committee.

We have a condition in this country that has worried the W. P. B. and other Government agencies very much. It is the lack of certain kinds of clothing and in particular the clothing that is worn by the poor people of this country; overalls, work shirts, and many other essentials. The people find it hard to get this clothing, and they pay high prices for it when they do get it. We must have this clothing. Therefore I presented an amendment to the committee which had two principal objectives. One objective was to insure the production of necessary textiles for the war and for the civilian population also. If my amendment will achieve this objective, it should be adopted. Something must be done. The Navy, within the last 48 hours, has called for 30,000,000 chambray shirts. They cannot get them, and we must have them. The Navy will get the shirts. Of that I have no doubt, but at the present rate of textile production, there will be very little left over for civilians after the Navy gets the material which it should have. The second big objective of my amendment is to get parity for the cotton farmers. During the hearing I asked Mr. Bowles if he would object to any amendment to bring parity to the cotton producers of this country. He said, "I would not." Nor should Mr. Bowles or the O. P. A. oppose any amendment that will produce the clothes that we need so much. If my amendment is adopted, it may correct some of the conditions to which the gentleman from New Jersey [Mr. HARTLEY] has referred.

If I can show that my amendment will carry out these two objectives without costing the public any more money, then it is not unfair to ask the Members of this House to support it.

Let me briefly give you the background of the situation which brought about my amendment. Cotton is the only major commodity which has been consistently below parity since the passage of the Price Control Act. Cotton has reached parity price only three times since October 2, 1942, and has remained there for only a few days at a time. Within recent months, cotton has averaged a cent below parity, or about \$50,000,000 less on an annual basis than the cotton producers would receive if they were getting parity for their product.

The persistent failure of cotton to reach parity resulted in an investigation. It is true that the over-all supply of cotton is ample, but approximately 7,575,000 bales are owned outright by the Government, or are under Government loan. The supply of free cotton—cotton that is not owned by the Government or under Government loan—is by no means excessive. And, in particular, the supply of the most desirable grades and staples of cotton is not large. In view of this situation, persons familiar with cotton felt that forces outside the market might be responsible for the failure of cotton to rise to parity. As the result of an inquiry it was discovered that the Office of Price Administration had placed ceilings on certain textile items that reflected less than parity in the case of raw cotton.

In other words, taking into account the costs of manufacturing the cotton, the costs of transportation, other costs, and margins, mills cannot afford to pay parity prices for the particular kind of cotton which they use in making a particular textile item. For the benefit of some of you who are not familiar with cotton, I might explain that there are more than 600 grades and staples of cotton and parity is a different figure for each of them. Cotton that is seven-eighths of an inch in staple length and of a grade called Middling is the yardstick generally used in pricing other kinds of cotton, and it is used to a certain extent in determining parity. The parity price for cotton in May was 21.08 cents a pound on the farm. Cotton that is better in grade and longer in staple length than $\frac{7}{8}$ -inch Middling is worth more than 21.08 on the farm, and cotton that is shorter in staple length and poorer in grade than $\frac{7}{8}$ -inch Middling is worth less than 21.08. My example is not technically correct, but it is accurate enough, I think, to give you an idea of what has been happening at O. P. A. with regard to cotton.

Let me give you one specific instance. Cotton that is 15-16 inch in length and middling in grade is used to manufacture denims, which are used in turn in making overalls and other work clothes. The same kind of cotton also is used in making chambrays that are made into work shirts. This type of cotton also is employed for blankets, corduroys, gingham, and a lot of other cotton goods that are used for clothing or household use. The parity price of 15-16 middling cotton, landed at the textile mill, as of March 1944, was 23.38 cents. But in fixing its ceiling on the goods referred to, O. P. A. allowed only 21.67 cents for cotton landed at the mill. In other words,

the price reflected by the textile ceiling is 1.71 cents a pound below parity, or \$8.55 cents a bale below parity. I could cite you about 40 similar instances and perhaps there are others. But the one illustration I have given will, I hope, give you an idea of what has happened in cotton and why we are seeking legislative relief.

The Office of Price Administration admits that it has computed the price of raw cotton at less than parity in a number of cases in fixing textile ceilings. In this connection I would like to quote two paragraphs of a letter, dated March 14, 1944, from Byres H. Gitchell, Acting Director, Consumer Goods Price Division, O. P. A., to Senator JAMES O. EASTLAND, of Mississippi:

The Price Control Act, as amended, provides that no maximum price shall be established for a commodity processed from an agricultural commodity, below a price which will reflect to the producers of such agricultural commodity a price therefor at least equal to parity, as well as the other legal minimum prices specified in the act.

In the case of products such as textiles this provision forbids the Administrator from establishing for a commodity or commodities processed from an agricultural commodity any ceiling price or group of ceiling prices which will prevent the agricultural commodity from reaching parity or any other of the specified minimum prices.

It has sometime been argued that the provisions as to processed agricultural commodities has a further and different effect. This view is that the Office is required, in computing and maintaining ceiling prices for processed agricultural commodities such as cotton textiles, to take the raw material, cotton, at the parity price (or other legal minimum), regardless of the price at which the raw material is actually selling, and add thereto an appropriate margin for processing. The Office has not believed that the act required it to adhere to this or to another specific formula in computing prices or in applying the parity standard.

The O. P. A. then admits that some, at least, of its ceilings on textiles do not reflect parity on raw cotton. I think that anyone who knows anything about cotton will admit that the price paid by mills whose ceilings reflect less than parity tend to fix the price for all raw cotton. The supply of cotton is not excessive—I am speaking now of the free supply—but there is enough to go around and the mills are not bidding aggressively against each other for cotton. Therefore, the depressed prices to which I am referring, the O. P. A. textile ceilings, that reflect less than parity, are holding down the price of all cotton below parity. Since the textile ceilings are fixed and do not rise or fall with increases or decreases in the price of cotton, it is evident that the price of cotton cannot go to parity unless this situation is corrected.

In my opinion, the action by O. P. A. in fixing ceilings on textiles at prices which fail to reflect parity is a violation of the Price Control Act. Certainly it is a violation of the spirit of the act for the Congress never intended that price control should be used to keep farm prices from going to parity.

I may say that the cotton industry went to O. P. A. when it was discovered that textile ceilings failed to reflect parity on raw cotton and asked them to

handle the matter administratively. A series of conferences began and at one time it seemed that O. P. A. would change its ceilings in line with the requests of the cotton industry. Eventually, however, the O. P. A. refused to make the changes requested. The agency stated that it was reviewing the textiles schedules but it insisted on fixing prices on an over-all basis instead of each textile item. Even if this resulted in some textile ceilings that are too high and some that are too low, the O. P. A. insists that everything is all right when the entire picture is taken into account. It explains, as I see it, the shortage in work clothes and many essential textile items. Despairing of any relief at all from O. P. A., the cotton industry brought its case to the Congress.

Now, let me explain what I am proposing to do. My amendment is, in its essence, simple and I feel that it is reasonable and just. In the first place, it would require textile ceilings to be computed on a basis that will reflect parity for raw cotton. This is necessary if cotton is to go to parity. I do not see how anyone can deny that.

My amendment also would give the Chairman of the War Production Board the power to increase the production of badly needed textile items. This would be done as follows: Whenever the Chairman of the War Production Board determined that a textile item was necessary for the war effort or the maintenance of the civilian economy, the cost of manufacturing and marketing that item would be computed at a figure that would cover the cost of manufacturing and marketing 90 percent by volume of the item.

This may sound a bit complicated but I think I can explain it by a simple illustration. Let us take denim for example, which, as I stated before, is a textile item used mainly for the manufacture of overalls and other work clothing. Under my amendment the Chairman of the War Production Board would determine that the production of denim should be increased. He then would direct the O. P. A. to compute its ceilings on a basis that would cover the cost of cotton, plus the cost of manufacturing and marketing figured on a basis that would cover 90 percent by volume of the denim made. In other words, the O. P. A. would have to cover the cost of manufacturing 90 percent of the denim. And O. P. A. also would have to give a reasonable margin on the denim made.

My amendment then would do three things: It would require textile ceilings to reflect parity on raw cotton. It would give the Chairman of the War Production Board power to increase production of textiles and it would direct the O. P. A. to allow reasonable profit on textiles.

Keep in mind that the law, in my opinion, requires that textile ceilings reflect parity. Keep in mind also that the O. P. A. is supposed to allow a reasonable profit on textiles. My amendment would go only one step beyond the law as it now exists. The Chairman of the War Production Board would be given the power to increase the production of textiles and anyone who knows the textile

situation will agree, I think, that one of the reasons for the higher prices and scarcity of cotton goods is the fact that production has been curtailed because of existing policies.

Certainly, this country needs more textile goods and certainly the farmers should get parity for their product. What then is the objection to my amendment? The O. P. A. says it would greatly increase the cost of living and they have given some very high estimate of costs. That is the reason for their attack on the Brown amendment. Now, if I could show that my amendment, if administered in the right way, will not raise the cost of living at all, I am certain that the House would support it. This is what I propose to do. There should not be a cent increase in the price to the consumer.

Who is my witness?

I hold in my hand a letter addressed to Senator TAFT by Mr. York Wilson, who is the chief accountant for the textile industry in the office of the O. P. A. This letter did not have the approval of the O. P. A., but it was written by the man who knows more about textile costs than any man in the O. P. A. So I say, as testimony, it should have more weight than that from any other official in O. P. A. I have no authority to quote the O. P. A. for it, but I have the authority to quote Mr. Wilson, who looks after this particular industry, and who is the chief in that particular section. He has been an accountant for several textile mills. Let me read from his letter. What did he say?

If properly administered, the amendment will not increase mill profits 1 cent.

This is Mr. Wilson's statement.

Yet, we see in the papers that any change from present ceilings will raise the cost of living. Here is a man trained in the textile industry. Here is a man whose reputation is so high that the O. P. A. sent for him on account of his knowledge. He gave Senator TAFT his impartial judgment. He knows more about the subject than anybody else in O. P. A. He knows what he is talking about. The trouble is that so many of those who have been talking in the newspapers do not know anything about the textile or the cotton industry. What else did Mr. Wilson say? This is what he said:

If the textile items that reflect less than parity are raised in accordance with the amendment, and those that are too high are reduced, as they should be reduced, there will be no increase in the over-all cost.

I know the basis on which Mr. Wilson made his statement. O. P. A. has said on numerous occasions that the textile mills are making profits sufficiently high to enable them to pay parity for raw cotton. O. P. A. also admits that some ceilings on textiles do not reflect parity on cotton. Obviously then, some ceilings are too high and some are too low.

The reason for the shifts in the manufacture of lower-priced to higher-priced goods have come about, in my opinion, because of this maladjustment in O. P. A. price ceilings. The ceilings on many of the essential items needed for everyday wear and for the household are too low.

The ceilings on some of the higher priced and fancier goods are, in my opinion, too high. The O. P. A. argues that it can correct this situation by directives from the War Production Board, but I doubt this very much. It is only human nature and an instinct for self-preservation for an industry to concentrate on more profitable items to the exclusion of the less profitable items. The War Production Board can issue directives but it cannot force increases in the production of textiles that are being made at a loss.

I must say that I am at a loss to understand some of the O. P. A.'s arguments. Why does not O. P. A. raise the textile prices in the instances where these prices are too low and reduce them in the instances where they are too high? I have yet to have a satisfactory answer to this question.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BROWN of Georgia. I asked that question, but one of them said, finally, "Well, we can do it under the law." "Why don't you do it?" "Because we don't want these fellows to be jumping on our necks all over this country." My reply to them was this: "You took the job to be shot at and you are expected to be shot at."

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Did I correctly understand the gentleman to say that there is just one price for all grades of cotton?

Mr. BROWN of Georgia. No. That is the trouble. I am getting to that now. I will tell you where they make the mistake. They take $\frac{7}{8}$ -inch Middling cotton. The parity on $\frac{7}{8}$ -inch Middling cotton is about 21.08 cents a pound. You take $1\frac{5}{16}$ Middling and the price for this cotton and for inch Middling is higher than that for $\frac{7}{8}$ -inch cotton. But cotton that is below Middling in grade and less than $\frac{7}{8}$ -inch in staple is lower in price than $\frac{7}{8}$ -inch Middling.

As to making this clothing that is so needed now, let me give you an illustration. They use a $1\frac{5}{16}$ -inch Middling grade and manufacture it into denim. That is what your overalls and work clothes are made from. The same kind of cotton often is used in making chambrays. That is where your shirts come from. The Navy has called for 30,000,000 of these shirts. It is made into white shirts. This type of cotton also is employed for blankets, corduroys, gingham, and a lot of other cotton clothes that are used for household use and for the poor people of the land. As I stated before, the parity price of $1\frac{5}{16}$ Middling cotton landed at the textile mill in March 1944, was 23.38 cents, but in fixing the ceiling on the goods referred to, O. P. A. allowed only 21.67 cents for cotton landed at the mill. In other words, the price reflected by the textile ceiling is $1\frac{3}{4}$ cents per pound less than parity.

Under the circumstances, it is no wonder that some of the cheaper cotton

goods are becoming scarce. Any housewife will tell you that cotton goods and cotton clothing are hard to get and that, after they are found, they cost a good deal more than they did a year or two ago. A dress which formerly sold for \$2.98 now will sell for about \$4.98. Coats that formerly sold for \$9.98 are selling for \$14.98, and the cost of most cotton clothing has risen in proportion. So far as cotton clothing is concerned, the stabilization line has broken.

What has happened is this: While the price of textiles has risen very little, the people are having to buy more and more goods made from higher-priced textiles. Let me give you an example of how this works: Let us say that a textile manufacturer is making goods that cost 30 cents a yard, and the O. P. A. ceiling denies any profit on these goods. Let us say that he also is making textiles that cost 60 cents a yard and there are reasonable profits on these goods. Under such circumstances production of 30-cents-a-yard goods will be reduced and the production of 60-cents-a-yard goods will be increased. The labor costs for the 30-cent goods is just as high as for the 60-cent goods. Therefore, there will be very little 30-cent material for sale. The people will have to buy 60-cent goods and the cost of clothing will rise as a result. This hits the poor people especially hard. Another reason for the rapid rise in the cost of clothing is the wide margins allowed after the goods leave the textile mills, and particularly the wide margins between wholesalers and retailers.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PATMAN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Georgia.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Let us see if we can get this cleared a little bit for some of our Members on this side who are not so familiar with cotton. We have a terrible shortage in three types of cloth, cotton flannels, blue denim, and blue chambray, which is terrifically needed by the armed forces and the civilian population.

Mr. BROWN of Georgia. The W. P. B. has been in conference for weeks and weeks and months with the O. P. A. trying to straighten them out on this very problem.

Mr. CRAWFORD. When they determine a cost formula and a price ceiling which does not give the farmers the parity price on cotton by about \$8.50 a bale, it injures the farmers, and defeats the purpose of the Stabilization Act wherein we provide for parity. When a price ceiling is set in such a way as to narrow the margin of the textile mill that produces the yarn and the yardage, it prevents production there. So we have a double-acting mechanism, you might say.

As I understand the gentleman's amendment, it is somewhat dissimilar to the original Bankhead amendment.

Mr. BROWN of Georgia. That is true.

One difference is that under my amendment the chairman of the W. P. B. must certify to the O. P. A. that a textile item is essential for war purposes before the costs of producing 90 percent are covered. That was the strongest objection raised by the O. P. A. to the Bankhead bill at one time. I took away that objection to the proposal and now they come in with others. We should give the W. P. B. power to increase the production of textiles, because we expect W. P. B. to find everything necessary to successfully carry on this war. When that is done, how can any man within the sound of my voice vote against this amendment?

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. I do not know just what the gentleman from Michigan means by excess profits. Does he mean that every cotton manufacturer is operating under an excess-profits formula?

The thing we want to be deeply concerned about in connection with an increase in the ceiling on raw cotton, which must go on to the selling price of the goods, is that we are not going to ruin these mills.

Mr. BROWN of Georgia. We have an escalator clause in this bill that when you adjust textile ceilings to reflect parity for cotton plus the expense of carrying it to the mills and manufacturing it in the mills, and that if the mills fail to pay parity, within 60 days their ceilings will be lowered. The mills understand this and approve it. They tell me that they do not mind paying parity for raw cotton. They want their ceilings adjusted so they can pay parity.

And as I have said several times, this amendment should not increase the cost to consumers 1 cent if it is properly administered. On the other hand, it should help consumers, and in particular, the poorer people by making more low-priced goods available at reasonable prices. As it is now, there simply is not an adequate supply of low-priced goods and even though, in theory, prices are low, it does not mean anything. It is apparent to any objective observer that O. P. A. has let this clothing situation get entirely out of hand. The price of textiles rose very little, if at all, in 1943, but the price of clothing increased 6.7 percent and the price of cotton clothing led the march upward. I am sincerely of the opinion that what I am proposing would lower the cost of living if it is administered as it should be administered. If we do not do something to increase the supply of clothing, this country is likely to have to rationing cloth.

I am certain also that my amendment will help the cotton farmer. In this connection, the cost of producing cotton has risen steadily. The cost of rising a bale of cotton now is approaching \$100 and the average income per acre, exclusive of seed, is around \$100. The factory worker in January 1944 earned an average of \$1 per hour; the cot-

ton farmer is earning an average of about 20 cents per hour for his labor. I am not arguing that the factory workers are being overpaid, but it is apparent, I think, that the cotton farmers are underpaid. It should be noted that the average of all other farm commodities is about 114 percent of parity.

The question has been raised as to why this amendment applies only to cotton. The answer, I think, should satisfy everyone. Cotton is the only commodity whose prices are depressed below parity by O. P. A. price ceilings. Cotton therefore finds itself in a unique situation. The cotton industry had no objection to broadening this amendment. The organizations representing other agricultural commodities, however, said that since cotton was the only one affected by O. P. A.'s textile ceilings, the legislation should apply only to cotton.

I want all of you to know that the American Farm Bureau Federation, headed by Edward A. O'Neal; the National Milk Producers Federation; and other farm groups are supporting my proposal. They are urging its passage. This is proof, in itself, that the amendment covers cotton because only cotton finds its price depressed below parity by O. P. A.

I am certain that this House will not hesitate to remedy an injustice done the cotton farmers, or any other farmers, when the situation is called to its attention. There has been instance after instance of legislation for one commodity in this House. In 1942, for example, Congress passed a bill to annul an order which took 5 cents per bushel out of the parity and ceiling price for corn. What we are trying to do here is to remedy a similar situation here. What we are trying to do is to remedy an injustice done both the producer and consumer. Under such circumstances, I am certain we can count on the unity of agriculture and on the support of all persons who understand this situation and have the welfare of the country at heart.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

(Mr. LEMKE asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. LEMKE. Mr. Chairman, I am talking to you today about a system of government—government by bureaucracy. I am not interested in individuals. I shall criticize not persons but institutions. Scores of bureaucratic institutions that have been brought into existence in the name of war, but that do not assist in the war effort but hinder it. We know that government by bureaucracy must be abolished if our Republic is to survive.

This is not a partisan issue. It is not a Democratic or a Republican issue. It is an American issue. The question is, Shall we recover our American system of government? Will we again make the executive, the judiciary, and the legislative coordinate branches of our Government? One government but three coor-

dinate branches to protect our lives and liberties. Or shall we continue to slumber and submit to the dictatorial powers exercised by the heads of bureaus without the right of an appeal to courts?

When Congress authorized the creation of 165 Federal bureaus and executive agencies—when it surrendered to these the right to write the Nation's laws—to issue one-man edicts—it surrendered that which was not its to surrender. When it gave to the bureaucrats the right to make rules and regulations, when it gave them immunity from court procedure, it did that, which under our Constitution, it had no authority to do.

But what is the use of discussing the Constitution. Just now we have no Constitution. Courts no longer respect the Constitution that they took a solemn oath to uphold and defend against all enemies, foreign and domestic. Unless Congress again asserts itself and on occasion even uses the power of impeachment, our Constitution is gone, and with it our liberties and our form of government.

Today the question is, Should the O. P. A. be abolished? It should never have been created. It is an un-American, illegitimate child. It was born of foreign parentage. It was put over by an official clique in Washington that think more of foreign institutions than of our own. It is only one of scores of the alphabetical set-ups of foreign origin. It is one of the bureaus that will have to be abolished if our institutions and our form of government are to survive. It is incompatible with our American way of life.

The O. P. A. got off on the wrong foot to start with. Its first Administrator lost his head. Like all bureaucrats he started out by bluffing and blustering. He threatened to "crack down" on the people—to get tough. In the words of Confucius, "When there are no tigers in the mountains, even monkeys proclaim themselves kings." This O. P. A. Administrator had his picture taken riding through Washington on a bicycle with a lady sitting on the handlebars. The people smiled in astonishment at such childish pranks.

The object was to make the public believe that the Administrator of the O. P. A. was conserving gasoline and manpower—if not lady power. The truth is that the O. P. A. has not conserved, and is not conserving, either manpower or gasoline. It has, and is, wasting both. The trouble with the O. P. A. is that it is top-heavy with book knowledge—crammed full of inexperienced, bookwise New York youngsters—who do not know whether they are coming or going.

The O. P. A. has spent millions of dollars of the taxpayers' money without any real accomplishments. In its early stages, it employed hundreds of supersnoopers chasing around the country spying on, and interfering with, the people who transact the Nation's business, and who do the Nation's work. It insulted the small businessman and challenged the farmer and the workingman's integrity. It added confusion upon con-

fusion, issued edict after edict, each one contradicting the other.

It takes a Philadelphia lawyer to figure out what it is all about. It may truly be said that the right hand of the O. P. A. never knows what the left hand is doing. The people are bewildered and angered. Little wonder that the President was forced to give the O. P. A. personnel a shake-up or two. In justice to himself, he ought to shake it up some more.

Any businessman can tell you that, at least, one-fifth of his time is wasted in trying to keep up with the red tape and confusion of the O. P. A. Any farmer can tell you that a great deal of his time and gasoline is wasted in trying to comply with the contradictory rules and regulations of the O. P. A. He can tell you he has made countless trips, burned up gas, and wore out his old tires trying to get a new inner tube or other necessary farm equipment.

Go into any store, and purchase a few cents worth of goods, and you will stand in a line and wait while the seller and the buyer count points—wasting manpower, losing tempers, and wrecking nerves. Then, think of the thousands of employees of the O. P. A. wasting not only their own time but your time. Some of these pencil pushers lie awake nights figuring out new rules, definitions, and regulations—more red tape and confusion. Here is how the O. P. A. defined Cheddar cheese. "A clean, pleasant, mild aroma, a pleasing nutty flavor, a mellow, silky, meaty body, and a close, solid, uniformly colored interior."

Others are just plain loafers—with a political pull—who do not earn their salt. A casual walk through Federal Office Building No. 1, a few blocks from the Nation's Capitol, will confirm this statement. There, you will observe women knitting and making dresses—men and women gathered in groups playing games and discussing the topics of the day—while others are engaged in an attempt to write poetry.

Then think of the thousands of dollars of paper and material wasted in printing and manufacturing and distributing regulations and points. I repeat the O. P. A. has not aided the war effort but has hampered it. It has wasted manpower, interfered with production, and caused disunity.

The O. P. A. has not decreased the cost of living but increased it. It has muddled production and caused shortages. It has been guilty of gross discrimination in ceiling prices. It sets a ceiling price on a loaf of bread in one city and a lower ceiling price on the same loaf of bread in an adjoining city. It has a ceiling price on eggs in one locality and a lower ceiling price in another locality. In many cases it fixed the ceiling price on fruit and vegetables below the cost of harvesting so that the producer was compelled to plow under, or permit to rot, millions of dollars worth of fruit and vegetables. It has created shortages and boosted prices.

We know that because of the blunders of Government bureaus and agencies millions of dollars of food have been permitted to spoil and rot. This includes 3,000 carloads of potatoes, 30 carloads of

evaporated milk, 250,000,000 bushels of wheat, 2,841,700 pounds of dry beans and peas, 295,000,000 pounds of wheat cereal, 234,620 pounds of strawberry preserves, 353,088 pounds of canned salmon, 138,750 pounds of fresh onions, 69,804 pounds of canned tomatoes, 74,064 pounds of canned peaches, 1,939,000 pounds of rolled oats, and 47,420 pounds of canned chicken. This is just a small part of bureaucratic waste.

In the fall of 1942 the farmers in North Dakota sold their potatoes for \$1 per hundred pounds. Less than 6 months later potatoes that were unfit for human consumption cost \$10 a hundred in Washington. Who got the other \$9? Surely not the farmer nor the consumer who paid the \$10. Is it possible that there was a leak by someone in the O. P. A. to the potato brokers? Later it developed that there never was a shortage of potatoes. Millions of bushels were later dumped into gutters and permitted to rot.

When this matter was brought to the attention of the O. P. A., they informed us that the ceiling price on potatoes in Washington was \$3.50 a hundred, but they immediately qualified that statement and said that there was no ceiling price at all on Maryland, Pennsylvania, or Virginia potatoes. Is it possible that the O. P. A. officials did not know that under these conditions all potatoes in the Nation would overnight become citizens of these three States?

Again, last fall the farmers in North Dakota and Minnesota were urged to harvest their onions in August and September. They were threatened by the O. P. A. with lower prices if they did not comply. Of course, the O. P. A. did not know that these onions should have been harvested in late October. For these onions the farmer received about \$1.70 a hundred pounds. Later there are no onions in many of the Eastern States. They have been selling as high as \$15 to \$29 a hundred. Who got the other \$27.30? Not the farmer, nor the consumer. The consumer paid the \$29. The farmer got \$1.70. Who, we repeat, got the other \$27.30?

Then, the O. P. A. began to muddle the hog market. It plastered its points and ceilings all over pork. But it forgot to fix a floor. The farmer and the consumer again took the rap. The farmer was docked for overweight and for underweight. He received from 7 to 13½ cents a pound. In many cases, he was not able to sell his hogs at any price.

The farmer was compelled to feed these hogs long after they should have been slaughtered. Every pound of feed they consumed after they were ready for market was wasted. This at a time when the Eastern States were in great need of feed. The farmer, of course, cannot be blamed when next year there is a pork shortage. He cannot be expected to continue to produce pork at a loss.

Recently we had an egg crisis. The farmer in the Midwest received as low as 14 cents a dozen, while in Washington the ceiling was still 50 cents a dozen. Where was the O. P. A.? A ceiling of

50 cents a dozen in one place, a market of 14 cents a dozen in another place.

Now the Government has 14,000,000 crates of eggs on hand. These eggs are in danger of becoming overripe. So some bureaucrat suggests that they be mixed with other products and fed to livestock—to cows. I never knew that cows ate eggs. I would not be surprised but what somebody in the O. P. A. got the idea that if they fed eggs to cows, cows would lay eggs. That would be on par with writing to a Texas stockman, asking him how many male and female steers he had on hand. It would be on par with suggesting that farmers take the shoes off the horses' feet at night so they would not wear out.

Another example is the berry and fruit industry. Last fall the O. P. A. fixed a ceiling of 18 cents a quart on raspberries. It cost the growers about 22 cents to get them picked and crated. The result was that they plowed them under. Then, after they were destroyed there was a shortage. The ceiling went up and you could not buy raspberries for any price.

Prior to the O. P. A. the consumers could buy a cotton handkerchief for 5 cents. Under the O. P. A. regulations they are 25 cents each. One bale of cotton made into handkerchiefs sells for \$3,200. The farmers get \$100 for the same bale. Who gets the other \$3,100? Not the consumers that pay the \$3,200.

These are just a few of the hundreds of blunders of the O. P. A. Just a few of the unnecessary hardships placed upon us. Just a few examples of the confusion caused by the O. P. A. It should be abolished and its worth-while functions transferred to the Department of Agriculture and the W. P. B., and the enforcement thereof to the Department of Justice where it belongs.

The people are getting tired of being bossed and bulldozed by the little autocrats in the various set-ups throughout the Nation. Many of these act not only without authority of law, but, in violation of the law and the Constitution. Unfortunately, the bureaucrats refuse to trust the people, to have confidence in them. In turn, the people have not only lost confidence but also respect for the bureaucrats. They have a contempt for them. The result has been disrespect for law and order, black markets.

In the words of the immortal Senator Borah, "Any government that loses confidence in the best of its citizens, should not be permitted to exist for one year, for one month, for one day, for one hour, for one minute thereafter." Government by bureaucracy must be abolished.

We all know that in time of war the military arm must have full and complete control of military operations, but a declaration of war does not abolish Congress, nor abrogate the Nation's laws. Congress should still shape the policies that govern the civilian population. The people demand that Congress accept its responsibilities, that it once more write the Nation's laws.

In place of creating the O. P. A., Congress should have, on the day that it declared war, fixed a floor and a ceiling price on all commercial commodities.

Then, it should have appointed a committee to make adjustments where adjustments were necessary. Congress can and should still do this.

It is not necessary to surrender our intellect in order to win this war. It is not necessary to become regimented serfs in order to win. We must forever be on our guard. The greed for power—bureaucracy—is more dangerous than the greed for money. We must never surrender the right to think out loud. In spite of the fact that all of our avenues of publicity are now more or less under the control of official Washington, we must insist upon freedom of speech and press—freedom of conscience. We must give constructive criticism whenever and wherever it is needed.

There has been too much concentration of power in Washington. The bureaucrats not only wish to control the Nation's industrial activities, but insist upon doing the thinking for all of us. Many of these are incompetent to do their own thinking, let alone the Nation's. Congress must stop this nonsense—it is dangerous.

Congress has given too many blank checks to the Executive, and through it to the bureaucracy. The chickens of this legislation have now come home to roost. The one-man made laws made under these blank checks by Executive orders and administrative edicts, from January 3, to April 2 consist of 4,223 pages, while the CONGRESSIONAL RECORD for the same period, which contains all the speeches in both Houses of Congress, consists of only 2,948 pages. The time has arrived for this Congress to abolish this unconstitutional method of government.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, the supply of crude oil, one of the most essential of our war materials, is growing less every day. This supply must be increased. In order to provide for more oil the price of crude should be increased.

The Office of Price Administration under its regulations has not seen fit to grant increases in the price of crude oil, even though the present prices are approximately 60 percent parity when considered under what is known as the 1926 index of the Department of Labor. On the same basis coal is 118 percent; raw materials, 112 percent; all commodities, 103 percent; lumber, 144 percent; and so forth. The average price of crude oil today is about \$1.18 per barrel. It is approximately the same as in 1937.

It is agreed, I am sure, that one of the most vital war materials is petroleum. Transportation of all kinds—rails, ships, air—as well as industry and agriculture would slow down or quit without an adequate supply. Most important of all, we must have a huge supply for our planes and tanks and other war equipment. The demand and need becomes greater every day.

I want to quote from the Division of Reserves, Office of the Petroleum Administration for War, showing the initial production of petroleum since 1937. Here are the figures:

	Barrels
1937-----	10,185,780
1938-----	8,795,660
1939-----	6,664,200
1940-----	7,076,250
1941-----	7,284,100
1942-----	2,781,540
1943-----	1,553,400

You will observe that in 1937 the amount of new production was 10,185,780 barrels and in 1943 approximately 1,553,400. The average daily production of crude in the United States in 1942 was 3,919,000. In 1943 it was 4,300,000 barrels. It is hoped that production in 1944 may reach 4,600,000 barrels. Our refining capacity is around 5,000,000 barrels. I am advised at the present time we are refining about 87 percent capacity.

The demand for gasoline and other petroleum products has doubled in the last 2 years, and so almost 50 percent of our petroleum products goes to the armed forces and Allied Nations; about 14 percent to industries and public utilities. Passenger cars get about 10 percent. The railroads get 8 percent. Busses and taxicabs get about 10 percent, and the farmers get about 5 percent. The remainder goes for miscellaneous items including heat. Of course, nobody is asking for gasoline for pleasure driving or unnecessary use, but we must have a certain amount of it to carry on our needed operations.

There has been a definite decline in stocks on hand since 1941 and unless those stocks are increased we are likely to find ourselves in a rather embarrassing position with respect to petroleum supplies within the near future. The demand for crude petroleum at present amounts to 5,000,000 barrels every day. The production of crude right now is approximately 4,500,000 barrels. In addition to the 4,500,000 barrels, there is a further production or recapture of oil of about 200,000 barrels, so there is a deficiency right now of 300,000 barrels of petroleum per day. This deficiency is made up by taking from dwindling stocks and from the importation of crude oil. This House and the country ought to know that the demand for crude oil above production has been at the rate of 100,000 barrels per day since prior to the beginning of the war. Supplies of gasoline and crude oil have been rationed to the very limit, but even at that the supply of crude oil since December 1941 has been reduced 83,000,000 barrels.

I have called your attention to the fact that more than 50 percent of all production goes for the use of our armed forces, and almost all of the remainder of it goes indirectly for war purposes. This is not a question of providing gasoline for nonessential purposes. That thing is rationed to the limit. This is not a question of providing profits for big oil companies. It is a problem of producing an important and essential war material that is needed now and is going to be needed in greater quantities in the immediate future.

According to the Bureau of Mines 22,143 oil wells were completed in 1937. They had a capacity as I have told you of more than 10,000,000 barrels. In 1943, 9,762 wells were drilled with a capacity

of a little more than 1,500,000 barrels. Now some figures as to the cost of drilling new oil wells. In 1936 the average cost per barrel was \$56.92. In 1941 it was \$72.48. In 1943 the average cost was \$207.69. This is three times the cost of 1941. If the price of crude oil were increased 50 cents per barrel, it would raise the price of gasoline about 1 cent per gallon.

Now, Mr. Chairman, it seems to me there are two alternatives offered for the providing of a bigger supply of crude oil. One is importation and the other is greater production in our own country. There is no reason why we should import oil in the United States when we can produce it and refine it right here if we are willing to pay nearly a fair or parity price to get it done.

I want to call your attention to the fact that new production and new exploration is done by independent operators. They are the ones who ordinarily do the exploring and bring in added production. It is estimated independent operators are responsible for about 70 percent of new production. It has been suggested that because some of our big oil companies show plenty of profits that no increase should be allowed. These big companies can show profits because they make their money on refining and on by-products, transportation, retail sales, and so forth. Furthermore, companies showing big profits have huge contracts with the United States Government. A great deal has been said about protecting the small businessman, the independent businessman of this country. It would interest you to know that a good many independent operators have sold out to big companies and gone out of business because they could not continue to operate under present prices and yet here are Members of Congress who talk about protecting the small businessman but permit him to be swallowed up by a few big major companies.

If we continue as we are now going the big companies will have the small independent operator out of business in a couple of years. If the Office of Price Administration believes the big operators are making unnecessary profits they can certainly take care of that problem without fixing a below-cost price on crude-oil production. It seems strange that prices far beyond parity are granted on services and certain other materials in order to promote the war effort at a maximum, and yet because a few major companies make large profits on refined products the Administration hesitates to give the producer a cost price for his efforts.

Mr. Chairman, I think this Congress ought to take cognizance of another thing with respect to the production of crude oil. We now have a number of concerns who have made large profits on war contracts for the armed forces who are now also engaged in the exploration and drilling for oil. Their profits are in the high brackets, so in place of paying so much taxes to the Federal Government they use the profits for drilling oil wells and thereby reduce the amount of taxes due the Government.

Here are names of companies that have been given me, who are in the business

of drilling oil wells. The Northern Ordnance Co. engaged in the production of crude oil in western States and in Pennsylvania. The Auto Ordnance Co. is drilling oil in Kansas and Texas. The Nu-Enamel Paint Co. operates in Texas. The Alco Valve Co. and the Great Lakes Carburetor Co. have also been named as being engaged in the oil and drilling business. I am told the Sharples Cream Separator Co., that formerly made cream separators and then was engaged in providing equipment for war uses, is now interested in the drilling of oil wells in the State of Texas.

I do not claim they have no legal right to do this sort of thing, but it hardly seems fair to the ordinary independent operator that these concerns should drill oil wells on 15- and 20-cent dollars in competition with the independent operator who is not allowed a price sufficient to pay for the cost of carrying on his business.

Newspapers have recently given publicity to a statement that we have about 20,000,000,000 barrels of crude-oil reserves, equivalent to a 14-year supply, if we follow last year's rate of consumption. This statement has carried a lot of misunderstanding. Such thing might be true if no new discoveries were made, but we are discovering new oil all the time. New fields have recently been discovered in Alabama, Florida, and Mississippi, so we really do not know how much oil has not yet been discovered. We do know we are not producing as much oil as we can. We also know that our immediate reserves are dwindling every day and that the demand for oil is increasing. I am not suggesting that we ought to have more oil for unnecessary needs. I know and you know that we do need more oil for carrying on the very necessary operations that contribute to the prosecution of the war and provide for the best interests of our Nation as a whole.

Mr. Chairman, I want to quote from an address delivered by the Honorable Harold L. Ickes over the National Broadcasting Co. network wherein he says:

In the face of this huge war demand, crude oil productive capacity is falling off seriously throughout the important midwestern oil-producing States, and is susceptible of a substantial increase only in west Texas. On the basis of known military requirements—let alone whatever unexpected demands may develop—we will not be able, by next year, to produce enough oil in the United States to meet the needs of the military, of war industry, of agriculture, and for essential civilian purposes unless we cut down on consumption now. That is not my opinion. It is a fact recognized by the practical oilmen who have formally endorsed the gasoline curtailment in the Middle West and Southwest.

A shortage of crude oil has to some extent been recognized. To overcome the shortage it is suggested that to stimulate production subsidies be paid instead of increasing the price of crude oil. I do not want to go into that discussion except to say that it does not make sense that we should dip into the Federal Treasury to pay for drilling oil wells when the price of crude is little more than half of parity. Furthermore, it is impractical in so many ways.

Mr. Chairman, this matter has been brought to the attention of officials in the Office of Price Administration a number of times. Those officials have not seen fit to provide what I believe is a fair price for crude oil so I am asking the membership of this House to support an amendment offered by the gentleman from Oklahoma [Mr. DISNEY], that will provide for a price of approximately 80 percent parity, which will increase the price of crude on an average of not more than about 50 cents per barrel and will provide for an increase on the price of gasoline of not more than 1 cent per gallon. The amendment is fair and reasonable and should be adopted. This amendment is not out of order and puts the price of petroleum a little nearer in line with that of other essential war products.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

[Mr. SAUTHOFF addressed the Committee. His remarks will appear hereafter in the Appendix.]

(By unanimous consent, Mr. SAUTHOFF received permission to revise and extend his remarks in the RECORD.)

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, my purpose for taking this time is to call attention to a situation requiring a remedy which a simple amendment will cure and will not unbalance any portion of the price-control program—although it will curb some reprehensible practices on the part of some agents of the O. P. A.

But first may I enlist the aid of every Member of Congress in a program to obtain more than 5 gallons of gas for servicemen on leave or furlough.

The following letter to Mr. Bowles, as yet unanswered, is self-explanatory:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 1, 1944.
MR. CHESTER A. BOWLES,
Administrator, Office of Price
Administration, Washington, D. C.

DEAR MR. BOWLES: I have just returned from a short visit to Kansas City, and on the trip I had an opportunity to talk to a large number of servicemen. I never at any time disclosed the capacity in which I was serving the Government, but due to the fact that I did let it be known that I was a veteran of the First World War and a past State commander of the American Legion, I was able to enter into and listen in on many discussions these men had.

There was, of course, the usual beefing about various conditions that have developed, but the one big "gripe" expressed by nearly all of these men was the limitation of allowance of only 5 gallons of gasoline when they get home on leave. Several of these men had been away from home nearly 3 years, several of them had served overseas for nearly 2 years and, of course, had many places to go, many things to do, and many people to see, so many in fact that 5 gallons of gasoline was hardly a starter.

For the young men who are comparatively close to home who get frequent furloughs or leaves, this allowance of 5 gallons doesn't seem to be so much of a handicap, but then, of course, they haven't been gone as long and do not have as much ground to cover as

those men who have been gone for longer periods of time.

There is no person, you and I included, who would not cheerfully forego a few gallons of gasoline so that these men who have been gone for so many months or years can have all that they desire or need. It seems to me that regulations could be so amended as to allow the 5 gallons for short leaves of 2 or 3 days with at least 5 gallons additional for each 2 additional days of leave. Several of these men were so resentful of the paltry allowance that many of them did not even ask for that, and apparently none of them knew that they could tell their ration boards they had business matters to which they must attend during their leave or furlough; if they did know about it, they had no desire to make any false statements relative thereto in order to obtain gasoline.

It is sincerely hoped that this inequity may be promptly corrected and that these servicemen may, through your office, be granted additional gasoline so they may enjoy their well-deserved periods of rest and recreation.

Sincerely yours,

ERRETT P. SCRIVNER.

But back to our problem, article VI of the Constitution reads:

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated.

Under the present law, in substance, section 202, empowers the Administrator to make investigations, to subpoena witnesses and all records for hearings at any place.

In view of our constitutional protection there surely was no thought in the minds of Congress to prevent public hearings or to permit private star-chamber proceedings, where persons were to be examined and cross-examined by O. P. A. attorneys and agents while the witness himself was to face this fire of examination by himself without aid of counsel—with no record made to show what was actually said and done at these hearings.

Recently, the O. P. A. issued subpoenas duces tecum directed to customers of a packing concern. They appeared with their records, their attorneys, and a reporter. The O. P. A. ordered the investigation to be conducted in private, with no attorney or reporter present.

These witnesses refused to testify under their conditions. Proceedings in the nature of contempt were instituted in the district court.

The decision of that court reads:

Price Administrator's representative may not conduct secret hearing to examine purchaser of meat packer but is entitled to make such examination at public hearing; witness is not entitled to be attended by counsel or stenographer of his own choosing, but such counsel and stenographer may attend hearing as members of public and stenographer "may make notes" of proceedings.

Neither the counsel nor the stenographer, however, may be permitted to participate in or interrupt the examination.

The statute (Sec. 202) under which the Administrator is proceeding * * * does not say anything about any appointee of the Administrator having the power or powers of a grand jury. If Congress desired that the appointees of the Administrator have the powers of a grand jury, it would have been very easy to say so.

The Administrator by himself and his appointees is without question authorized to make studies, investigate, and obtain information. To that end he is authorized to compel persons to attend by means of the subpoena. He is also authorized to compel them to attend and produce documents. Now, that language can be given an effect as it should be given an effect.

We Americans, accustomed as we are to proceedings in accordance with the forms of a system of law handed down to us from England, are distrustful of and fearful of secret proceedings. We are accustomed to have all of our court proceedings, substantially without exception other than proceedings before a grand jury, conducted in the open, in public places, and we dislike and are suspicious of such proceedings conducted otherwise (U. S. D. C., N. Ill. (Barnes, D. J.); *Brown v. Baer*, Sept. 16, 1943. (12 L. W. 2185)).

Both parties, being dissatisfied, appealed. The circuit court overruled the district court and upheld the star-chamber proceedings of O. P. A. in language which points out the remedy required:

Before Evans, Kerner, and Minton, circuit judges.

Minton, circuit judge: The Administrator of the Office of Price Administration, in connection with an investigation of purchases of meat from the Empire Packing Co., issued subpoenas duces tecum to 15 persons who had dealt with that company, ordering them to appear at a stated time and place to testify concerning their transactions with the company for a certain period and requiring them to bring with them all invoices, records, and other documents pertaining to the purchase of meat from the company for that period. The witnesses responded to the subpoenas and reported as directed, accompanied by their attorneys and a court reporter. All of the witnesses but one were represented by the attorney for the Empire Packing Co. The Administrator, however, through his lawful agent, had proposed to hold the investigation privately and not publicly. Consequently, the representative of the Office of Price Administration conducting the investigation, after a few preliminary questions to the witnesses, told each that his attorney and court reporter would have to withdraw from the room. The attorneys and reporter refused to withdraw unless authorized by their clients, and the witnesses refused to answer any questions in the absence of their attorneys and reporter.

Upon the refusal of the witnesses to testify, the Administrator applied to the United States District Court for the Northern District of Illinois, Eastern Division, for an order requiring the witnesses to appear at a certain time and place with the documents called for, without their attorneys and their reporter. The witnesses filed an answer to this complaint, and oral argument was had. The court ordered the witnesses to appear and testify before a representative of the Administrator without their attorneys to represent them and without their reporter, but provided that the investigation be open to the public, which could include the attorneys and the reporter so long as they did not interrupt or interfere with the proceedings.

The Administrator has appealed from the order in its entirety, and the witnesses have filed a cross-appeal from so much of the order as required them to attend without being represented by their attorneys or being attended by their reporter.

The Administrator was proceeding under the authority granted by section 202 (a) (c) and (e) of the Emergency Price Control Act of 1942 (50 U. S. C. A., sec. 922 (a) (c) and

(e)), the pertinent provisions of which are set forth in the margin.¹

This was an investigation, not a hearing. Investigations are informal proceedings held to obtain information to govern future action and are not proceedings in which action is taken against anyone. Investigations, such as this by the O. P. A., have no parties and are usually held in private, just as a grand jury carries on its investigations in private. Investigations may very properly be held in private. *Woolley v. United States* (97 F. 2d 258, 262); *In re Securities & Exchange Commission* (14 F. Supp. 417, 418), affirmed 84 F. 2d 316, reversed for mootness (299 U. S. 504, 57 S. Ct. 18, 81 L. Ed. 374).

On the other hand, in a hearing, there are parties, and issues of law and of fact to be tried, and at the conclusion of the hearing, action is taken which may materially affect the rights of the parties. Hearings are usually open to the public. The parties are entitled to be present in person and by counsel and to record the proceedings or be provided with a record by the hearing body. The parties to a hearing are entitled to participate therein, to argue, and to brief their case, and if findings of fact and an order are made they are entitled to be furnished copies. *Morgan v. United States* (304 U. S. 1, 58 S. Ct. 773, 82 L. ed. 1129). These essential differences between an investigation and a hearing are what permit the two proceedings to be conducted in different manners.

There is nothing in the nature of the proceeding in question here which requires it to be held in public. Neither does the statute require it. The power to hold such an investigation was given by statute to the Administrator. In the absence of words in the statute prescribing the manner in which such investigations were to be held, the Administrator had a right to determine for himself how the investigation was to be conducted and regulated.

The district court was given no power by the statute to regulate the manner in which the investigation was to be conducted. The Administrator was given authority to subpoena witnesses before him for investigation. If they refused to appear and testify or to bring the requested documents, the Administrator was authorized to apply to the district court for an order requiring them to comply with his subpoenas. On such application, the district court has to determine only whether the Administrator was conducting an investigation, whether he had subpoenaed the witnesses named in the com-

"(a) The Administrator is authorized to make such studies and investigations and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations, orders, and price schedules thereunder.

"(c) For the purpose of obtaining any information under subsection (a), the Administrator may by subpoena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

"(e) In case of contumacy by, or refusal to obey a subpoena served upon, any person referred to in subsection (c), the district court for any district in which such person is found or resides or transacts business, upon application by the Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof. * * *

plaint to appear and bring the papers and documents properly identified in the subpoenas, and whether the witnesses had refused to comply. If these essential elements are present, the district court has no right to do more than to order compliance.

The court had no right here to control by its order the manner in which the Administrator might conduct his investigation. We know of no provision of the Constitution or of the Price Control Act which authorized the court to order a public hearing. By doing so, the court imposed conditions which it had no right to impose. The order should have been issued without the limitations prescribed therein.

The judgment of the district court is reversed in so much as it ordered the investigation to be held in public. The balance of the judgment is affirmed.

To meet this decision, to remedy this situation, and give our citizens the protection they need and should have, I will at the proper time, present an amendment much as follows, by adding a subsection (i):

(i) That all studies, investigations, and hearings provided herein, upon request of any person subject to subpoena, shall be public and such person may be represented by counsel and may make a record of such studies, hearings, and investigations.

This amendment will right this wrong and place citizens and the O. P. A. on an equal footing, dealing at arm's length, in public, with the citizen protected by his counsel.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BUFFETT. Mr. Chairman, if a man had a tiger by the tail, you would not pay much attention to what the man said he was going to do to the tiger. You would watch and see what the tiger did. This administration has a tiger by the tail when it talks of curbing inflation. Their talk is the reflection of their guilty consciences. The inflation kitten they brought into being in 1933 has now grown to a full-sized jungle tiger.

In legislating a renewal of price control, talk about price control permanently curbing inflation is only misleading. That misconception may make possible the most colossal economic blunder committed by a national legislature since the Assembly in France thought they could curb inflation by passing the Law of the Maximum. Price control does not prevent inflation because it deals with the effects and not the cause of inflation.

Can anyone show any instance in history where price control has prevented inflation? Can you find any record where any nation has had disastrous inflation except because of deficit spending? If our price-control efforts cause this Congress to neglect the real danger of inflation, deficit spending, then price control will have cost too much.

Price control is a necessary anesthetic to control the pain of inflation. A doctor cannot fix an aching tooth with an an-

esthetic. He can kill the pain, but the anesthetic does not cure the infection nor repair the damage. Price control does not cure the infection nor does it repair the damage of inflation.

When the appropriation for enforcement is considered, the great French inflation should be remembered. The French penalties for price-fixing violations were as follows: For the first violation, a fine of 3,000 francs was imposed. For the second violation, the penalty was increased to a 6,000-franc fine and 20 years imprisonment in irons. A third violation was punishable by death on the guillotine and confiscation of the violator's property.

Rewards were paid to spies or stool pigeons just as the O. P. A. is doing in this country. Hundreds died on the guillotine, but the violations did not stop. Price control is finally enforceable only by bayonets and tyranny. That is the unanimous verdict of history.

This House should face the prospect frankly that all kinds of black-market operations and widespread flouting of price-fixing laws will exist regardless of any O. P. A. gestapo program. Why? Because the annual deficits now running at the rate of \$1,000,000,000 a week are the inflation automatically reducing the buying power of our currency and discouraging production. Only a balanced budget can cure this situation and any other remedy has only the effect of a sedative.

People say prices are going up. The actual situation is somewhat different. When the price of a quart of milk goes from 10 to 15 cents, the value of the milk has not changed. A quart of milk never varies in actual value. What actually happens is that the money which is used to purchase a quart of milk has been cut one-third. The basic inflation problem is found in the income and outgo of the United States Treasury—and no place else.

The value of our money is shrinking and will continue to decrease unless the reckless spending of this administration can be stopped. This Congress is as powerless to change economic laws as it is to change the laws of physics and chemistry.

A great economic authority, Harold G. Moulton, president, Brookings Institution, says:

It will be necessary to make a choice. With unlimited debt expansion, we cannot prevent inflation without the use of totalitarian methods of control. No compromise or halfway measures can adjust the difficulties. The choice is between regimentation and inflation.

The foregoing analysis serves to disclose the gravest danger with which the United States is now confronted. Unable or unwilling to perceive basic inconsistencies, or to choose between clear-cut alternatives, we drift toward the deep financial waters from which there is no return other than through repudiation in one form or another.

This administration has for 12 years promoted spending which makes ugly inflation inevitable. Every day this Congress continues to be hoodwinked about inflation, by believing price control stops inflation, makes disaster more certain.

Mr. Chairman, price control creates a situation in which the cunning and the

cold-blooded proceed to enrich themselves at the expense of the more patriotic and trusting citizens. The frantic purchasing of all kinds of permanent wealth today and the feverish turn-over at advancing prices of property and real estate generally reflects the efforts of the shrewd and wealthy to protect themselves. This is simply legal robbery of the plain people made inevitable by the inflation now going on.

There has been considerable talk in the House about various covenants to the rest of the world. As far as I am concerned, there is one covenant that has priority over any pledges made by the irresponsible carpetbaggers of the New Deal. The covenant which has my first allegiance is being daily written by the blood of American boys dying in battle. That covenant is that these boys, their widows and orphans, shall have, when this conflict is over, the America of freedom and opportunity which they were told they were going abroad to defend. Unless this reckless spending stops, that covenant, the most sacred in recorded history, will be shattered and broken.

The Clerk read as follows:

Be it enacted, etc., That (a) section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1944" and inserting in lieu thereof "June 30, 1945."

(b) Section 6 of the Stabilization Act of October 2, 1942, as amended, is amended by striking out "June 30, 1944" and inserting in lieu thereof "June 30, 1945."

Mr. SPENCE. Mr. Chairman, I move that the Committee rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Tennessee [Mr. DAVIS] may have permission to revise and extend his own remarks in the RECORD and include therein an address recently delivered by the gentleman from Texas [Mr. SUMMERS] at Southwestern University at Memphis, Tenn.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD a speech I made on Memorial Day in Harrisburg, Pa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent to

extend my own remarks in the Appendix of the RECORD and to include therein a letter from Mr. J. F. Blanchard, of my State, together with the heading of a petition signed by various and sundry citizens.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

STATE, JUSTICE, COMMERCE APPROPRIATION BILL—FURTHER CONFERENCE

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, with Senate amendments, that the House further insist on its disagreement to the amendments of the Senate Nos. 10, 12, and 13, agree to the conference asked by the Senate, and that the Chair appoint conferees on the part of the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RABAUT, KERR, HARE, O'BRIEN of Illinois, CARTER, STEFAN, and JONES.

EXTENSION OF REMARKS

Mr. MORRISON of Louisiana. Mr. Speaker, I desire to submit three unanimous-consent requests to extend my remarks in the RECORD and include: First, an article from the Washington Evening Star; second, a short article from the Statesman, a newspaper of Boise, Idaho; and, third, an article from Liberty magazine entitled "Music for the Services."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent that in the remarks I made in the Committee of the Whole this afternoon I may be permitted at the indicated places to include a letter, two court decisions, and a proposed amendment.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in two particulars: In one to include a statement on the outstanding work of the House Committee on Small Business; and in the other to include a communication from the Wisconsin State Department of Agriculture, Milton H. Button, Director.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. REES of Kansas. Mr. Speaker, I desire to submit two requests: First, that I be permitted to extend the remarks I made on the floor of the House this after-

back, Father Orlemanski rebukes Monsignor Ready for using "such vulgar words" and for "trying to undermine [his] priestly and Christly life by innuendos." Skipping the question as to how a vulgar word can be an innuendo, will Mr. Shirer give us some rule of thumb by which we may determine which of the two clergymen is the propagandist? As far as we ourselves are concerned, we feel that we know, but is there some infallible standard of determination? Something that would convince others as we are convinced?

Father Orlemanski reports Stalin as calling himself "an advocate of freedom of conscience and of worship." Was the wily Georgian merely ribbing Father Orlemanski, or was he handing out propaganda which he expected Americans to swallow? And will they swallow it? They will unless we can prove it to be propaganda. How would you go about it, Mr. Shirer? Or would you go about it?

THOSE GRANDIOSE COMMUNIQUE

Hanson W. Baldwin of the New York Times, says, "The small operations of Marshal Tito and of Gen. Draja Mihailovitch have been exaggerated into great campaigns. To read some of the grandiose communiques issued in Marshal Tito's name one would think—quite inaccurately—that the Nazis were being driven from Yugoslavia." What say, Mr. Shirer? Is Baldwin right? Is this Tito stuff propaganda? How shall we know? How do you know? By way of good measure, while you are on the subject, could you tell us why we Americans switched from Mihailovitch to Tito? Was it because Tito is Stalin's man? Or is that propaganda?

Speaking of "grandiose communiques," how about those astronomical computations of German dead in the Russian reports? If all those Germans are really dead there can remain precious few to meet our attack on the western front. But, of course, those staggering figures of German casualties are only propaganda.

ATROCITIES A LA WORLD WAR NO. 1

The Australian Department of Information announced on May 11 that Sikhs liberated by the American advance at Hollandia reported seeing "a number of Chinese who had been nailed to palm trees with iron spikes driven through their foreheads." True or false, Mr. Shirer? Propaganda or fact? In the other war Sir Philip Gibbs ran down the story of the Canadian soldier crucified on a barn door in Belgium. He labeled it "propaganda." Is this the same story? Sikh for Canadian, spike through the head in place of nails through the hands and feet, palm tree instead of barn door? Same story, Mr. Shirer? Same propaganda?

Only one more atrocity story out of thousands. Edward Morgan in a special radio message to the Louisville Times says: "Allied and Italian authorities today are trying to obtain further information on the so-called Rome massacre during which the Nazi allegedly slaughtered between 300 and 500 civilians. But verification of that sort of news is always difficult to get. * * * Reports printed here * * * generally quoted Swiss border sources to the effect that the Germans staged a massacre in the Coliseum in reprisal for an incident in which bombs were thrown into a column of Gestapo and Fascist officers during the celebration of the twenty-fifth anniversary of Fascism."

It sounds like 1914-1915. But things are different now? Newspaper correspondents are more conscientious and newspaper editors more exacting? Oh, yeah? In the other war investigating committees looked into these things. They were fooled. How do we know we are not being fooled again? The truth is that the confidence of us old fellows who remember details of the other war has been undermined. If someone could give us that infallible test of propaganda for which we are clamoring, he might reestablish our

confidence even in atrocity stories. As things are we believe or disbelieve according to temperament. If we are "easy marks" for rumors, we believe; if we are what our critics call "skeptical," that is to say judicious, we withhold assent.

On April 3 Raymond Daniell cabled the New York Times from London: "Mr. Molotov's statement that the social structure of Rumania will be retained as it is at present has gone a long way toward reassuring doubters that the Atlantic Charter is still the guiding star of all the major Allies." Propaganda or fact, Mr. Shirer? Honest Injun now, do you believe that the Atlantic Charter remains the guiding star of Britain, the U. S. A., and the U. S. S. R.?

In that same dispatch to the New York Times Mr. Daniell went on to say that it was agreed at Teheran that Russia would soon reassure Poland as she has reassured Rumania. In support of that prophecy, Mr. Daniell quotes certain "quarters" and "informants." Do you believe them, Mr. Shirer? Or is all this prophecy about Poland and Rumania just more propaganda?

THE BRITISH ALSO DOUBT

By the way, would you like to know one of the lesser reasons why newspaper readers become skeptical? It is because of that trick of correspondents who quote vague anonymous "quarters" and "informants." Large daily doses of that particular sort of propaganda have paralyzed our power to believe.

Over those dispatches of Mr. Daniell's there is a subheading, "British doubts largely dispelled." Were they indeed? I had not noticed it in reading the English papers. As far as I can see the British are as cynical as Americans about the Atlantic Charter.

To give but one sample of British opinion, the Catholic Herald, of London, says: "In the early stages when Hitler was rampaging about Europe and enjoying the benefits of a pact with bolshevism, there was no reluctance to exploit the moral situation for all it was worth. We were told the war was a crusade. We were constantly informed of the enormities of the enemy and of the pledges for a new and better world for which we were standing fast. Days of national prayer succeeded one another. * * *

"And now in the fifty-fifth month of the war (as the Prime Minister has reminded us), with victory at length in sight, the people of Britain can be spoken to for three-quarters of an hour without a single reference to what may be called the vision of the war, the vision of a new social deal at home, a new set of values, as it were, and the vision once expressed in the Atlantic Charter."

TRAGIC DISILLUSION

Over there apparently they are as much disillusioned as we here at home. In fact, I rather think more so. As far as the moral character of the war is concerned, the Herald goes on to say: "Abroad the picture is increasingly dismal for all but the minority, which sees salvation in the emergence of a new power whose outlook is totally alien to the Christian tradition. At home there is but the prospect of the enforcement of a handful of elementary social needs by an army of religiously, morally, and culturally blind state planners."

The fate of the Atlantic Charter is one of the chief reasons why we who would dearly love to be optimistic about international affairs have been driven reluctantly into skepticism if not pessimism. It was a splendid document, and our reaction to it was one of great delight. After the first gust of enthusiasm, more deliberate scrutiny gave rise to the question "Do they really mean it?" For example, that fourth clause: "They (the signatories) will endeavor, with due respect for their existing obligations, to further the enjoyment of all States, great or small, victor or vanquished, of access, on equal terms, to

the trade and to the raw materials of the world which are needed for their economic prosperity."

THE CHARTER WAS A CHEAT

There you have a principle that might have revolutionized the dealings of the nations with one another, abolished the grievances of the "have nots" against the "haves," and thus have prevented wars in the future. But staring at us out of the midst of the idealism and altruism of clause 4 were the weasel words "with due respect for their existing obligations." We said to one another, "So there it is; same old dodge, same old duplicity." The world was to be made over anew, but it was to be the same as of old. Disabilities were to be removed but they were to remain. The causes of war were wiped clean off the slate, but by some infernal magic there they were again after the sponge had been applied.

Such were our doubts and fears in August 1941, when the Charter was published. In April 1944 Winston Churchill explained in the House of Commons that the weasel words "with due respect for their existing obligations" were inserted because of his insistence.

Then, too, there was in the Charter that clause about no territorial aggrandizement. We didn't exactly like the wording "They (the signatories) do not seek." We would have preferred "They will not accept." Sure enough it was another dodge. Stalin went serenely ahead annexing three whole countries and declaring that he would annex 40 percent of a fourth.

The Atlantic Charter, therefore, was a piece of propaganda. It was devised to produce a certain effect. The effect was produced. The Charter, having served its purpose, was torn up and thrown back into the sea whence it had emerged. Yet William L. Shirer wonders why we common folk have grown suspicious and skeptical. "Once bitten twice shy." We have been a hundred times bitten; shall we never grow shy?

On the editorial page of the New York Times is a daily column which I, for one (I know of many others) find particularly pleasing. It is called Topics of the Times. On April 2 it contained this paragraph: "Half the time we puzzle about the foreign policy of our own Government, American or British, as the case may be. The other half of the time we puzzle over Soviet foreign policy. How soon people will be fully enlightened about their own policy-makers at home we will not pretend to say. But upon Soviet foreign policy the last few days have brought a flood of light. This comes in the form of startling news about the wholesale revision of economic theory in the Soviet Union. Marxian thinking in Soviet Russia is out. The capitalist system, better described as the competitive system, is back."

STARTLING NEWS? NOT NEWS, BUT PROPAGANDA

In Moscow articles and editorials to the same purport were quoted in a bulletin published by Ambassador Averell Harriman. But by the 14th of the month, back from Moscow came this sockdolager signed by Maurice Hindus: "When American correspondents at Moscow first read these articles they rubbed their eyes and wondered if they had slept through one of the most epochal news stories about Russia. * * * Russian authorities on economics were as surprised as we were to hear that there is capitalism in Russia, or that capitalism—old or new—is being contemplated. One authority snapped out, perhaps in amusement or perhaps in anger: "Our ideological enemies seem still determined to defeat us with their pens. Early in the war they annihilated our armies with their pens as often as Goebbels did. Now that our armies are still fighting and our fatherland has been saved, they are out to beat us again—this time they are annihilating our socialism with their pens." So once again,

propaganda. On which side? Probably on both sides. Who can tell?

FRANCE TOO

One Martin Wilson writes a letter to the New York Sun in which he complains that on the day that Washington correspondents were told "there is no news," newspapers carried the item of the removal of General Giraud, whom we had backed, and the advancement of General de Gaulle, "whose position we had tried for months to weaken." Why was Giraud set up and then thrust down, while De Gaulle was first thrust down and then set up? We didn't know. We don't know yet. All the news we got and still get about Giraud and De Gaulle is pure propaganda.

EIRE ALSO

Mr. Robert Brennan, Minister from Eire to Washington, declares that the American Government is grossly misinformed about Axis espionage in Ireland. "The German legation," he said, "has no means of transmitting to Germany any information they may obtain. No diplomatic couriers travel between Germany and Ireland; no telephonic communication exists; no German wireless transmitter is operating and all cables must pass through British censorship. * * * The operation of German submarines from Irish coastal points is impossible in view of the vigilance of our coast-watching service. The suspicion of espionage presupposes an efficient, widespread organization, which we know does not exist."

Mr. Brennan's explanation sounds reasonable. Nevertheless Britain seems to have persuaded our State Department that Eire's neutrality is dangerous. How shall we judge between Eire and Britain? How can we judge if we don't get the facts? How can we get the facts when we have no means of distinguishing propaganda from truth?

Let's drop international affairs and take up something domestic. On May 2 the executive committee of the American Legion labeled as "unjustifiable" the criticism heaped upon Representative HAMILTON FISH, the America First Committee, and congressional isolationists at the Legion convention last year. The committee said: "We have no right, directly or by inference or innuendo, to impugn the good faith or ascribe any subversive or un-American tendencies to such persons, their point of view, or their program. It is unfortunate that we should not have kept our escutcheon untarnished."

"Open confession is good for the soul." But a year is a long time to wait before going to confession, when one has committed the mortal sin of calumny. Personally I didn't need any exoneration of HAMILTON FISH; I know him. Or of the America First Committee; I was a member of it. But if I had not known the Congressman and the committee, how would I have been aware that what seemed to be a resolution was really propaganda? Particularly vicious propaganda.

CHOKED, DROWNED, IN PROPAGANDA

Propaganda is flooding over us every day like the Mississippi on a rampage. We are choked, steeped, saturated with it, engulfed in it. Even if we manage to escape the swirling flood, we still breathe in propaganda with the air. I have—as a kind of sorry jest—asked Mr. Shirer to communicate to us his method of discerning propaganda from truth. Of course he has no such method. Nor has any man.

WE KNOW OUR WEAKNESS

It is therefore only common sense that makes us Americans suspicious of what is being fed to us as news. Neither Mr. Shirer nor anyone else should affect to be surprised, still less scandalized, if even our young people "react to domestic propaganda with apathy and utter cynicism," and are "so

convinced of the amount of lying * * * that most of them don't believe in anything." They say to the propagandists, "You made me what I am today; you seem not to be satisfied."

Extension of Emergency Price Control Act of 1942

SPEECH

OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. WOLCOTT. Mr. Chairman, I yield myself 20 minutes.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOFFMAN. The gentleman heard the question I asked the gentleman from Kentucky [Mr. SPENCE]. What would be the gentleman's answer as to how we can remedy that kind of situation? Not with reference to that particular company, but with reference to all companies who are in like situations.

Mr. WOLCOTT. You might take the power away from the War Labor Board to pass on wage increases and give it to the Office of the Price Administration, but it would result in a rather chaotic situation.

Mr. HOFFMAN. Well, it would put the two functions under the same board. That is what the Smith committee tried to do by section 508.

Mr. WOLCOTT. It is already under one board now. The Congress stabilized wages on a certain basis. We said that wages should not be lower than the highest wage paid between January 1 and September 15, 1942. Then we said the President might provide for making corrections of gross inequities. So by directive he gave the War Labor Board authority to hear complaints and make adjustments. The War Labor Board is given authority to make those adjustments, but they cannot make any adjustment below the highest wage paid between January 1 and September 15, 1942, under the law passed by Congress. The Price Administrator has nothing to do with the stabilization of wages. It is done by the War Labor Board in respect to wages, and it is done by the Treasury Department, as I understand, with respect to salaries.

Mr. HOFFMAN. That is the situation we tried to remedy by adding section 508, found on page 30 of that report, 1366.

Mr. WOLCOTT. You would not have remedied it. The Office of Price Administration operates under the President the same as the War Labor Board. It does not make any difference whether

you give them authority to stabilize or the War Labor Board the power to stabilize. They are both a part of the executive branch of the Government.

Mr. HOFFMAN. But one acts to fix prices and the other acts to increase wages.

Mr. WOLCOTT. We have already acted to fix wages. We have said that they shall not be below a certain standard. It would not make any difference whether the Price Administrator has the administration of stabilization of wages or the War Labor Board. It would be done in the same way, under standards set up by the Congress. If you want to change the standards set up by Congress, you can do it by amending this bill. You do not have to direct the War Labor Board to do something with respect to labor disputes in order to do it.

Mr. Chairman, I will yield myself 5 additional minutes.

I believe everybody is cognizant of the necessity for price control. I do not care to contribute to the exaggerated statements which are made with respect to price control and its effect upon inflation. When anybody says we have saved \$65,000,000,000 by controlling prices, they might just as well guess that we have saved \$165,000,000,000, or that we only saved \$30,000,000,000. So you can guess whatever amount you please in that respect. However, the fact does remain that by controlling prices the Government has prevented unusual increases in prices, and thereby prevented the inflation spiral from getting started in many respects. In other words, if we did not have price control we would probably have high prices. Then, of course, we get down to the problem as to whether the high prices cause inflation, or whether high prices reflect inflation. But it does not make any difference which comes first. I think everybody agrees that price control, under these conditions, where there is ever so much more purchasing power in relation to the availability of consumer goods than there ever has been before in the history of the Nation, is necessary.

Nobody has been more denunciatory of the administration of the Price Control Acts than I. Nobody has denounced any more than I the use of the powers which we have given to the Administrator to control prices in the control of business and industry. There have been some most flagrant violations on the part of O. P. A. in that respect. O. P. A. has on several occasions set up its machinery in such manner that the clear intent of the Congress was violated and the machinery set up by the Congress for the orderly enforcement of price controls could be circumvented. The question now is: What can we do or what should we do to preserve the controls over prices and make it impossible for the Administrator or anyone in the O. P. A. to use these powers to control business, agriculture, industry, and labor? That is our problem. I do not know of any situation any more delicate than this question of price control and the administration of the Price Control Act. We were weighing these questions on pretty sensitive scales. A

little more emotion on one side than on the other would throw the whole situation out of balance.

When this matter of continuing the Price Control Act was presented to the House Committee on Banking and Currency feeling was running very high. We were told by pressure groups, and the attitude of those pressure groups was reflected in members of the committee, that there should be no amendments to the Price Control Act, none whatsoever. I remember very distinctly one day when Justice Marvin Jones was before the committee and suggested that he would like to have certain powers that were noncontroversial—they had been agreed upon in the Commodity Credit Corporation Act which the President vetoed for other reasons, there was no reason whatsoever that we should not give Judge Jones the authority he should have in that respect—but just to feel out the committee—we had been going about 2 or 3 weeks then—I suggested that we might amend this bill in that respect. I was not exactly denounced for my suggestion, but I was given to understand in no uncertain terms that there would be no amendments to that bill no matter how fine they were and no matter how uncontroversial they were. So you can see what we had to deal with. It was a very delicate situation.

For a good many days, from the middle of April on, we held hearings, both morning and afternoon. We have 2,300 pages of hearings. So do not let anybody tell you that the Committee on Banking and Currency did not consider price control in all phases. When the first price-control bill was before the committee in 1941 we had only 2,200 pages; so we set a new record, 2,300 pages of hearings on the continuing the act.

Many of us were not satisfied with the act when it was originally set up; we were not perhaps any more satisfied with it when it was presented to the Committee on Banking and Currency on this occasion. We did what we thought was the best thing to do under the circumstances. First, we had to decide whether we were going to have price control, and I do not think there is any question about that. Then we had to decide when each of these amendments were considered whether or not the amendment if adopted would make price control less effective. We were interested in whether in the application of these suggestions we would contribute to the emasculatation of the Price Control Act. We gave consideration to 200 or 250 amendments, individually and collectively; and we attempted to safeguard all authority and power essential to control prices and to clarify the clear intent of Congress that this act should not operate in any manner to create a hardship inconsistent with its purposes.

I believe probably 80 percent of the complaints against the administration of the Price Control Act will have been eliminated if the aggrieved person is given an opportunity to review his grievances in a regularly constituted court; and that is what we have done. Notwithstanding anything to the contrary, we have made it possible for any ag-

grieved person at any time to file a protest and have his grievances reviewed whether he is aggrieved by an invalid order or any action of the Price Administrator which is arbitrary or capricious. Review in a regularly constituted court may be had by filing a protest, having that protest heard before a board in O. P. A.; and if there is any question in anybody's mind as to whether that board may meet anywhere in the United States we can clarify that. There was not any question in our minds at the time we adopted the amendment. Inasmuch as O. P. A. can function anywhere in the United States, any board created by O. P. A. may do likewise; but if there is any question about it we can by very simple amendment provide that this board may sit anywhere in the United States. Then if the aggrieved person is not satisfied with the decision of this board, if the Administrator does not follow the recommendations of the board, then the matter can be reviewed in a regularly constituted court which is called the Emergency Court of Appeals.

There are many people who believe the Emergency Court of Appeals is a part of the O. P. A. It is as separate and apart from the O. P. A. as any district court, as any circuit court of appeals, or the Supreme Court itself, is independent of O. P. A. The judges of the Emergency Court of Appeals are appointed by the Chief Justice of the United States Supreme Court. At the present time there are three members—two circuit judges and one district judge. Anyone who wants to go into the matter fully as to what they consider their jurisdiction and how they have operated, I commend for consideration the testimony of the Chief Justice, who appeared before the committee.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I understand this Emergency Court of Appeals is made up of three members; is that right?

Mr. WOLCOTT. Yes; but it is not limited to three members under the act. They can appoint as many other members as may be necessary to do the job.

Mr. ROBSION of Kentucky. And they are the duly appointed and acting members of the Federal courts?

Mr. WOLCOTT. They are on detached service.

Mr. ROBSION of Kentucky. The Emergency Court of Appeals is made up of two circuit judges and one district judge?

Mr. WOLCOTT. That is right.

Mr. ROBSION of Kentucky. That is the highest court to which any of these matters may be taken?

Mr. WOLCOTT. Excepting the Supreme Court of the United States.

Mr. ROBSION of Kentucky. They can appeal directly from it to the Supreme Court?

Mr. WOLCOTT. Yes.

Mr. RUSSELL. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. RUSSELL. Where will this court sit? Where will they hear and determine the actions brought before them?

Mr. WOLCOTT. Let me cover that very briefly.

Mr. J. LEROY JOHNSON. Will the gentleman yield for a question?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. J. LEROY JOHNSON. Assuming that they appointed 21 more judges than the 3 they have, will any 3 of those voting on a matter be a decision of that court?

Mr. WOLCOTT. A majority decision would control. I assume it would be the same as any circuit court of appeals, Supreme Court or any other court. Now, the gentleman from Texas asked where they sit?

Mr. RUSSELL. Yes. Let me make this statement. I live around 2,000 miles from Washington. Our people are little businessmen who are not able to come to Washington to engage in a court trial here or bring their evidence and their records here. They are not financially able to do that. That is the reason I asked the question where they sit.

Mr. WOLCOTT. We have helped that situation very materially. First, let me cover the situation which would develop if we did not have the Emergency Court of Appeals. Your constituent would go into a court and if that court held with the Administrator against your constituent, then your constituent could only go from that court, if it were a United States district court, in the circuit court of appeals, perhaps far removed from that district court. Then from there it would go to the United States Supreme Court, if it were a question that could be reviewed by the Supreme Court.

Under the procedure which we have established, the aggrieved person may either initiate the matter himself by filing a protest or, if he is indicted on the criminal side of the court for a violation of the O. P. A. regulations or orders, or if the administrator seeks an injunction against him restraining violation of orders or if an action is brought for the purpose of rescinding his license, the aggrieved may make application for a stay of proceedings for the purpose of having the validity of the regulation or order determined in the Emergency Court of Appeals. In that case if the defendant has used good faith the court will grant the stay pending determination of this question in the Emergency Court of Appeals.

Instead of this question having to be reviewed in a circuit court of appeals and putting the defendant to the expense and the inconvenience of going miles away from his home or his district court to the circuit court of appeals, the Emergency Court of Appeals comes to him. They may sit anywhere in the United States and have been sitting everywhere in the United States. If they get so many cases that the present three members cannot take care of them, then the court can be enlarged. The court can go anywhere in the United States. Do not lose sight of the fact that by setting up the Emergency Court of Appeals and giving it authority to meet anywhere in

the United States, you might save your client or your constituent the expense of having to go to places far removed to appear in the circuit courts of appeals.

Mr. RUSSELL. The circuit court of appeals, the gentleman well knows, passes on the record made in the district court in the district where the offense or action occurs.

Mr. WOLCOTT. Therefore, there is another advantage.

Mr. RUSSELL. The district court hears the witnesses and hears the evidence and if it has to go up the defendant does not have to go to the circuit court of appeals. The matter goes up on the record that is made in the court below.

Mr. WOLCOTT. I am glad the gentleman brought that up because the Emergency Court of Appeals is not confined to the record. It can get its information wherever it may be possible to get it. It can ask for further information. It is not confined to the record. Any party may petition the Emergency Court of Appeals for the right to submit additional facts.

Mr. RUSSELL. That is what we are objecting to. We want a trial under the law of the land where evidence is admissible and is admitted under the general rules of evidence.

Mr. WOLCOTT. You get that, but you do not get your trial before disposition of the legal question and it is always a legal question as to the validity of the regulation or order, or whether the Administrator acted capriciously or arbitrarily. If you claim that he acted capriciously or arbitrarily and the Emergency Court of Appeals has not evidence enough before it to determine that question, it may remand the question back to the O. P. A., or back to the original court. It can take testimony for itself, it can ask for additional testimony and you get that much more protection. As a matter of fact, as I view it, it seems to me that by setting up this Emergency Court of Appeals we have given the aggrieved person much more latitude in the presentation of the matter than in the circuit court of appeals.

Mr. WRIGHT. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I think the matter just outlined by the gentleman is very constructive and, may I say, I am glad the Banking and Currency Committee has gotten along so much better since I left it. The gentleman spoke about the licensing provisions. I understand those hearings under licensing provisions are under the War Powers Act?

Mr. WOLCOTT. No, not for the violations of the price schedules.

Mr. WRIGHT. The hearings are held by the O. P. A., are they not?

Mr. WOLCOTT. No, not for violation of a regulation, or order, or price schedule issued under the Price Control Act.

Mr. WRIGHT. When they take away your license to deal in scarce or rationed commodities, are there not hearings?

Mr. WOLCOTT. The gentleman is talking about the rationing side of O. P. A.

Mr. WRIGHT. That is what I am talking about.

Mr. WOLCOTT. I am not. We have not any jurisdiction over that in this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. WRIGHT. Have there been any provisions as to judicial review and with reference to the hearings of which I speak, where the O. P. A. hearing board or commission has either taken away a person's license or suspended it for a certain length of time because of violation of orders?

Mr. WOLCOTT. Yes; there has been. As I said at the beginning, there were several reprehensible practices in O. P. A. that we will have to correct, and this is one of them. I think I know what the gentleman is getting at.

Mr. WRIGHT. I wish the gentleman would explain it.

Mr. WOLCOTT. Let me review the situation. The Emergency Price Control Act provides the method by which a license may be suspended. It provides that the Administrator shall first give a warning to the defendant. After this warning has been sent to him—and it must be sent to him by registered mail—then it says:

If the Administrator has reason to believe that such person has again violated any of the provisions of such license, regulation, order, price schedule, or requirement after receipt of such warning notice, the Administrator may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than 12 months.

We have put into this act a very definitive safeguard.

Mr. WRIGHT. It is a change then, is it not?

Mr. WOLCOTT. No. That is the act that you and I perhaps worked on in 1941 and which is now the law.

We provide definite machinery for the suspension of license predicated upon a violation of a regulation or order or price schedule of the Office of Price Administration. Bear in mind that the O. P. A. has two separate functions, just as distinct as the function of a court when you file your complaint some times on the equity side and then again on the law side. The line is drawn even more clearly between the jurisdiction of O. P. A. over rationing and the jurisdiction of O. P. A. over prices, so that two should never be confused. The authority to regulate rationing, as I understand, comes down from the War Powers Act, the second, I believe, and the President may, by directive, set up the agency to control rationing. He has designated the O. P. A. to regulate rationing, and he has said in there that the O. P. A. can license persons, concerns, and so forth, to deal in rationed commodities.

The Congress has said that the O. P. A. can grant licenses to persons and concerns to sell commodities on which a maximum price has been placed. The reprehensible practice which I think the gentleman has in mind is this, that the

O. P. A. has made as a condition of the rationing license, that the licensed person shall conform to all of the price control regulations.

Mr. WRIGHT. That is exactly what I am driving at.

Mr. WOLCOTT. I might say that on the rationing side O. P. A. does not have to go into court to take away a license to deal in rationed commodities, and they may suspend a license for any time up to the end of the war.

Mr. WRIGHT. And there is no right of appeal?

Mr. WOLCOTT. There is no right of appeal; there is no nothing, even no justice in that practice, as I see it.

Mr. WRIGHT. That is what I am objecting to.

Mr. WOLCOTT. If a person violates a price schedule, and it so happens that the price schedule has to do with a rationed commodity, then it is a violation of his rationing license, and they circumvent the safeguards which we have written into this law by taking the rationing license away from him for a violation of the price schedule without first petitioning a court for a revocation of the license as provided for in the Price Control Act. It is a very important subject and the practice is quite far-reaching. The problem is one that has to be thought out very carefully. There will be language thought out and offered to the committee before we get through with this bill to correct that abuse of power. It is a flagrant abuse of legislative power. They have arrogated to themselves powers which we contend they have not and were never given, and even if they did have, they should not use the powers to clearly violate the intention of the Congress and destroy the safeguards which Congress has set up for the protection of violators.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. I wonder if the gentleman would be so kind as to straighten me out on a matter. Assume that the gentleman and I are in competitive business in the same town, and I am anxious to get the gentleman out of business, and I present charges to the O. P. A. officials that the gentleman has violated the ceiling price. The O. P. A., based on my statement, files a charge against him for that. Do they have to go into court to do anything to close up the gentleman's place of business under this bill?

Mr. WOLCOTT. Yes. First they give you a warning, and if you do not obey the warning, under the provisions of the price-control bill they must then make application to a court for suspension of your license.

Mr. RIZLEY. The gentleman says they give you a warning. Let us say that I file a complaint against the gentleman. The gentleman has not been guilty of any violation, but they have taken my word for it. They give the gentleman a warning. The gentleman does not change his practice, because he has done no wrong. Then their next step is to file a complaint against him in a local court?

Mr. WOLCOTT. They must.

Mr. SUMNERS of Texas. If the gentleman will permit an interruption, I believe the inquiry is this: If they filed complaint in the local court, what jurisdiction does the local court assume, and what does it do?

Mr. RIZLEY. When complaint is filed by the O. P. A. against the gentleman in the local court, what does the local court determine?

Mr. SUMNERS of Texas. Yes; what is the procedure?

Mr. WOLCOTT. If the court finds that such person has violated any of the provisions of such license, and so forth—

Mr. RIZLEY. If the gentleman will pardon me, I am talking about the ceiling price; not any license he may have.

Mr. WOLCOTT. It is a license to do business. The license could not be rescinded unless the licensee had violated a regulation or order.

Mr. RIZLEY. Tell me what the local court would do.

Mr. WOLCOTT. The local court has to find that there is a violation of such license, regulation, order, price schedule, or requirement after the receipt of the warning.

Mr. RIZLEY. Suppose the local court does find that, and you are still not satisfied, then what can you do?

Mr. WOLCOTT. You can appeal. Does the gentleman mean on a question of fact or law?

Mr. RIZLEY. On either or both.

Mr. WOLCOTT. If the decision of the local court under existing law turned upon a question of the validity of the regulation or order, then there is nothing that you can do if the regulation or order has been in existence 60 days.

Under the procedure set up in this bill you may make application to the court for a stay of those proceedings any time during the proceedings or within 5 days after judgment, to have the question of the validity of the regulation, order, license, or any of the other provisions tested in the Emergency Court of Appeals.

Mr. RIZLEY. What about the facts?

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. RIZLEY. Suppose the local court finds against the gentleman on the facts; then what can he do?

Mr. WOLCOTT. If it is on the facts, then you can proceed from there on up to the United States Supreme Court in the same manner that you proceed at the present time, because the courts are denied jurisdiction only to consider the validity of regulations or orders. They are not prohibited from trying questions of fact or whether perhaps there was sufficient evidence upon which to base a finding of law. That would become a question, of course, for the court to determine. The law states that—

Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or price schedule.

If it was not a question of validity, if it turned on a question of fact, then you

could take the case to the United States Supreme Court through your regularly constituted courts, the same as in any other proceeding.

Mr. RIZLEY. In other words, you could appeal from the local court to the circuit court of appeals and from there on to the Supreme Court of the United States?

Mr. WOLCOTT. Yes.

Mr. RIZLEY. You can do that under the present law?

Mr. WOLCOTT. Yes.

Mr. RIZLEY. You can do that under the bill as amended?

Mr. WOLCOTT. Yes.

Mr. RIZLEY. So there has been no change as far as that situation is concerned?

Mr. WOLCOTT. That is right. The only thing we do is to authorize the pleading of the invalidity of the regulation or order at any time, but if it is a question of validity which affects the whole price schedule throughout the United States, we say you shall review that in this regularly constituted court, the Emergency Court of Appeals, which we have set up for the purpose of determining that question so there will not be a chaotic condition created by having perhaps as many decisions or opinions on the validity of it as there are district courts.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. To what degree are the matters in controversy tried de novo when you go into a court? I think that is what everybody would like to know.

Mr. WOLCOTT. I think if he goes into a district court, we will say, the whole matter is tried de novo.

Mr. SUMNERS of Texas. All the controversial matters that were considered by the agency when the agency took this step, whatever it was, would be examined by the court de novo?

Mr. WOLCOTT. That is right, everything with the exception of the validity of the regulation or order.

Mr. SUMNERS of Texas. What is involved in the question of validity or regulation of the order, a form?

Mr. WOLCOTT. Form? Here is an example. It has been my personal contention that the Office of Price Administration never had jurisdiction over ouster proceedings, over recovery and possession of real estate. They have assumed to have that jurisdiction. So if we did not give the Administrator the authority to regulate recovery and possession of real estate, the court then would determine whether or not the regulation which sought to regulate the recovery of real estate was invalid, whether he acted outside the scope of this authority.

Mr. SUMNERS of Texas. He looks to the law for his authority, yes; but to what degree does the law give him authority to act arbitrarily? That is what we all want to know.

Mr. WOLCOTT. It says that he cannot act arbitrarily or capriciously. If he does act arbitrarily or capriciously, then he is not acting within the law, and that question can be reviewed.

Mr. SUMNERS of Texas. May I ask another question that I think will help us? On the individual complaints with regard to the rates that have been fixed for the rental of property and things of that sort, what remedy does an individual living in the communities in which we live have in practice under this amended law?

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

In the first place, we have said that whether or not it is an equitable rent, whether or not it is generally fair and equitable, shall henceforth be determined by comparing it to the rents charged only within that particular defense rental area, not throughout the United States, so that we will not determine whether the rental of an apartment or a 5-room bungalow in Port Huron, Mich., is too low or too high as compared to rentals charged for similar accommodations in Pittsburgh or New York. They have to take into consideration its relationship to the rents charged in that particular defense area. We have amended the Stabilization Act by saying that the President shall, instead of may, provide for the correction of gross inequities.

Mr. SUMNERS of Texas. How is he going to do that? What I am trying to do now is this: Assuming that in my town it is ascertained by this agency that a given rent is a proper rent. Then what remedy in the courts has a person who feels he is aggrieved by that fixation of rent?

Mr. WOLCOTT. He can file a protest with the Office of Price Administration and he can go to the Emergency Court of Appeals. The Emergency Court of Appeals has authority to determine whether or not that is a rent which is generally fair and equitable as it applies to this particular area. If the Emergency Court of Appeals finds that in the operation of this regulation there has been created a gross inequity—the gentleman and I know what "gross" means.

Mr. SUMNERS of Texas. Yes.

Mr. WOLCOTT. Then we give the court jurisdiction to correct that gross inequity. The existing law states that the Administrator may correct this gross inequity so the court does not have jurisdiction to compel a correction. Under this bill each individual case can go to the Emergency Court of Appeals, and if it is a gross inequity or a hardship case the Emergency Court of Appeals has the authority under the language which we have set up to correct the gross inequity by amending the order of changing the regulation or setting it aside altogether as it applies to that particular property.

Mr. SUMNERS of Texas. I know, but the Emergency Court of Appeals is in Washington, is it not?

Mr. WOLCOTT. No, not necessarily.

Mr. SUMNERS of Texas. Where?

Mr. WOLCOTT. Anywhere in the United States.

Mr. SUMNERS of Texas. All kinds of courts?

Mr. WOLCOTT. The court may sit anywhere in the United States.

Mr. RIZLEY. Where do you file the papers?

Mr. WOLCOTT. Here in Washington. The clerk's office is here.

Mr. RIZLEY. You have to send your papers up here to Washington to file them?

Mr. WOLCOTT. Yes.

Mr. SUMNERS of Texas. Is it contemplated that you will be able to make that sufficiently accessible to the average private citizen who feels he is aggrieved to make that work? Take the case of a widow who has divided a house into two apartments, and she has one rented.

Mr. WOLCOTT. If the gentleman will read the testimony of Judge Maris in volume I of the hearings he will find it very interesting.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Prior to the application to the Emergency Court of Appeals, apparently it provides in here, as I read it, the protest shall be filed with the O. P. A.

Mr. WOLCOTT. That is right.

Mr. SCRIVNER. The proposed amendment as shown on page 17 of the committee report provides for a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the administrator.

To bring out the point I want to make, I am going to make it ridiculous. Under the language now, the Administrator of the Office of Price Administration could name as the board of review an office boy, could he not?

Mr. WOLCOTT. That is right.

Mr. SCRIVNER. Let us assume he would not do that but would go a little higher in the scale of employees. What percentage of chance would we have of having one of the employees under the administrator overrule him and hold that his ruling was probably arbitrary?

Mr. WOLCOTT. Perhaps not any chance at all. Let me tell you why we set up this board. It does not make any difference whether it is an office boy or the Deputy Administrator. If the administrator does not follow the recommendation of the board, he has to make a finding as to why he did not, and there is the basis for whether he acted arbitrarily or capriciously.

Mr. SCRIVNER. The point I am trying to make is that the probabilities are that the Board will sustain the Administrator.

Mr. WOLCOTT. I think the gentleman is right in that respect.

Mr. SCRIVNER. Why would it not give the citizen some protection if at least one or two members of that Board were possibly members of the public or of the group represented?

Mr. WOLCOTT. Because we set up the Board purely and simply for the purpose of making the case before it gets into the Emergency Court of Appeals. You have something on which to base your review. If he acted arbitrarily or capriciously in not following the recommendation of the Board, or if the Board

says you are right but the Administrator nevertheless denies the petition, you can take it up on that record.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HORAN. One of the really valid complaints by productive industry against the operation of the O. P. A. has been the fact they have been very dilatory and too slow in putting out their amendments and their regulations. What assurance do we have that the courts will act, even though they have access to the courts? What are the time limitations?

Mr. WOLCOTT. In the first place we say the Administrator shall act within 90 days of the filing of the complaint, either to grant it or deny it or set it for trial. He shall act in any event, as I recall, within 90 days. But we give the Emergency Court of Appeals the authority to act in each case, it may be only 10 days, and if the Emergency Court of Appeals determines it is one of those cases where time is of the essence, as in the case of fresh fruit and vegetables, they can order the Administrator to make a decision within any number of days, even less than the number set in the act. So you have control over the situation there. The whole theory of the thing is that we expedite the consideration of these cases and allow the Emergency Court of Appeals much more latitude than they ever have had in compelling action by the Administrator. As I view it, we have absolutely prevented a continuance of the cases to which you refer that have been pending down in the O. P. A. for months and months and months. Now, at least, you can get your day in court as to whether they shall hold them there for months or decide them within a reasonable time.

Mr. HARNES of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HARNES of Indiana. This board is appointed by the Administrator from among the employees in the O. P. A. Is that right?

Mr. WOLCOTT. We still have this advisory board.

Mr. HARNES of Indiana. They are directed, then, to appoint an advisory board consisting of businessmen and industrial leaders?

Mr. WOLCOTT. Yes, and we do say that he shall give consideration to the advice which was given to him by these advisory boards. I do not know whether that does anything, perhaps, but give to the court jurisdiction to have just a little bit of a look-see at what they are doing. I do not think it means too much.

Mr. HARNES of Indiana. That is a board that the gentleman is talking about; an advisory board?

Mr. WOLCOTT. Yes.

Mr. HARNES of Indiana. This board within the O. P. A. which the gentleman just mentioned a minute ago, is

appointed from the employees of the O. P. A. by the Administrator; is that right?

Mr. WOLCOTT. Yes.

Mr. HARNES of Indiana. I assume the gentleman and his committee gave consideration to it, but does the gentleman know of any board appointed from among employees of an agency that would give an independent decision differing from the head of the agency?

Mr. WOLCOTT. We have just had some discussions about that. I said the purpose of having this hearing before the board is to make a record for the Emergency Court of Appeals. We have said if he does not follow the recommendation of the board, then you have your case all made as to whether he acted capriciously or arbitrarily. That is the only way you can get it.

Mr. HARNES of Indiana. I really do not see the necessity of having the board then. The Administrator could act. They are merely appointed by the Administrator?

Mr. WOLCOTT. That is right.

Mr. HARNES of Indiana. Why have a board? Why not let the Administrator take the responsibility and appeal from his decision?

Mr. WOLCOTT. Because under the present system you have not completed your case before you get into the Emergency Court of Appeals. If you have a hearing before a board you are taking testimony, you are gathering affidavits and statements and so forth and you have some kind of case made. That is the only purpose. It does not make any difference whether he is an office boy or what.

Mr. SUMNERS of Texas. The gentleman from Indiana has asked a pertinent question. When you come to make that record, does the aggrieved person have any right, as a matter of right, to have process served and have witnesses; and is he making up the record or is it tried on a record made when he gets the case to the Court of Appeals?

Mr. WOLCOTT. The bill provides that the protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral arguments before the Board.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HARRIS of Arkansas. The gentleman spoke a moment ago about the 60-day provision with reference to testing the validity of a regulation. Is that changed in this present act?

Mr. WOLCOTT. Yes. We have provided that a protest may be filed at any time.

Mr. HARRIS of Arkansas. After a regulation is issued?

Mr. WOLCOTT. Yes.

Mr. HARRIS of Arkansas. At any time an individual is affected, anyone might then go in and file his protest to the Board?

Mr. WOLCOTT. Section 203 (a), which is found on page 17 of the report, removes the 60-day limitation altogether.

Mr. HARRIS of Arkansas. That is a very wise provision.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SCRIVNER. The Board to which the gentleman from Michigan just referred is the same board that is in section 203 (c), to which may be appointed an office boy or a charwoman?

Mr. WOLCOTT. Yes.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENKINS. With reference to what is called forcible entry and detainer, which we in Ohio call ouster, we have to serve a 90-day notice. Under the present law, is that a matter of regulation?

Mr. WOLCOTT. Yes; that is a matter of regulation.

Mr. JENKINS. Let me ask the gentleman this question. Would it be germane and appropriate and proper if an amendment were offered to change that from 90 to 30 days? Could we make that part of the law?

Mr. WOLCOTT. I would advise the gentleman not to do it, because that would be a recognition of the jurisdiction of the Administrator over ouster proceedings. I do not know wherein we have given the Administrator jurisdiction over ouster proceedings except to stop manipulative practices with respect to the rent itself, to defeat the rent ceiling.

Mr. JENKINS. Here is the way it works in my county. If a landlord wants to get rid of a tenant he gives him a 90-day notice and then he must fight the O. P. A. officials, and they consult with the tenant. The first thing you know he has got all the officials and the tenants all against him. I know one case now where they have been trying to get the tenant out since the 1st of last October and they have not been able to evict the person yet. Something ought to be done about that.

Mr. WOLCOTT. In view of the assumed authority of the Administrator, it would be in order to amend the rental provisions of the act to provide that nothing contained in this act shall be construed so as to give the Administrator of Price Control jurisdiction over suits to recover possession of property. It would be perfectly in order. I wish if the gentleman does that he would include use and occupancy of property, because he has no jurisdiction over use and occupancy of property or over the terms and conditions of the sale of real estate.

Mr. JENKINS. That is another thing I was going to come to. Those are all orders. Where does he get the powers? Does he get them under Presidential war powers?

Mr. WOLCOTT. No; he assumes to have it.

Mr. JENKINS. Does the gentleman not think that is one of the most egregious errors? That is the greatest source of complaint I have in my country.

Mr. WOLCOTT. The Administrator does not assume to have it. I shall say that the President has assumed that he has the authority under the War Powers Act to authorize the Administrator to regulate the use and occupancy of real

estate, the recovery of possession of real estate, and the terms and conditions of the sale of real estate by directives.

Mr. JENKINS. I think if we could provide in this law a provision with reference to this board to which reference has been made, so that it would be composed of something besides office boys or somebody under his jurisdiction, if we can provide that there be other individuals on that board, a three-man board in every State, for instance, it would have to be in every State, to which people can go and then make a provision with reference to this ouster, so that it would be within the jurisdiction of the local court, and these agencies would not have anything to do with it, we would relieve ninety percent of the complaints as to rent control so far as my section of the country is concerned.

Mr. WOLCOTT. I think I would want to review the suggestion of the gentleman in the light of whether it would defeat the purposes of the price and rent control provisions. I was not able to follow the gentleman carefully enough to give an offhand opinion on it.

Mr. JENKINS. I appreciate that what I am asking is pretty important because if it is not within the purview of this law it could not be done.

Mr. WOLCOTT. It would be within the purview of the law. It would be germane to the law. Whether we would want to do it and perhaps thereby weaken rent control and price control is another question. I do not know whether I want to go along with the gentleman on that until I see the amendment proposed by the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JUDD. Did I understand the gentleman correctly to say that if the Administrator disagreed with the recommendation of this Board, or of his subordinates, then the aggrieved individual could appeal from the Administrator's disagreement with the Board; is that right?

Mr. WOLCOTT. It amounts to the same thing. Assume that the Board recommends that this gross inequity be corrected or that the regulations or order be amended in this particular case, then of course, if the Administrator follows the recommendation, then that probably removes the grievance. But if he does not follow the recommendation and says, "Notwithstanding the recommendation of the Board, I am going to hold against the protestant," then, of course, you have the foundation for your appeal to the Emergency Court of Appeals and you have your record all made.

Mr. JUDD. But there is the fallacy in the set-up, because the Board consists of the organization's subordinates, and they would almost never hold in favor of the protestant. They will hold in favor of the superior. Therefore both the Board and the Administrator will be against the protestant.

Mr. WOLCOTT. Not any more so than the Administrator himself might grant or deny it.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Amendments to the Emergency Price Control and Stabilization Acts

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1944

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. Chester Bowles with reference to H. R. 4941, together with comments by Mr. Bowles accompanying the same:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 8, 1944.
The Honorable JOHN W. McCORMACK,
Majority Leader, House of
Representatives,

DEAR MR. McCORMACK: You have asked me to make a statement as to my opinion of the bill reported by the House Banking and Currency Committee. I am glad to comply with that request.

Of course, my responsibility is to administer the act, not to set broad price control policy, which is the responsibility of Congress. I do believe, however, that, while the Congress is considering changes, I should do my best to inform its Members what I think would be the consequences of the changes under consideration. In doing so I shall try to draw on the practical experience which I have had in administering O. P. A. price and rationing regulations ever since, soon after Pearl Harbor, I set up the first local boards in my State.

Some of the amendments suggested for the bill are constructive. For example, I think no step could be taken which would do more to aid effective enforcement than enacting the provision permitting the Administrator to sue for damages in cases of overcharges to consumers who fail to take action themselves within 30 days. This would let us enforce our regulations against careless retailers without having to indict them for violating the criminal law, the penalty which thus far we have been obliged to use. I think it also would be advantageous—and I know that the Economic Stabilization Director agrees—to provide for the publication of policy directives in the Federal Register. These are documents of public interest and importance; they clearly merit official publication.

A number of the other amendments do not change what we have considered to be the meaning of the law but they do make clear what that meaning is. Thus, we have always believed that it was O. P. A.'s duty, as well as its policy, to give consideration to the recommendations of industry representatives and advisory committees, even though the necessities of price control might make it impossible on occasion to follow specific proposals. It should be advantageous to have that obligation stated clearly in the statute. Again, it should be helpful to make clear that, when the Administrator makes an area adjustment in maximum rents under Section 2 (b), he must take into consideration general increases in costs and taxes for the particular area involved rather than for the Nation as a whole.

Unfortunately, there are some amendments which are confusing rather than clarifying in effect. Thus, a little change in a basic provision, such as the substitution of "shall" for "may" in the second sentence of the Stabilization Act which now gives the President authority to adjust prices and wages, would open up a succession of major questions as to the effect of the change on outstanding regulations. The result would be to stimu-

late demands for higher prices and wages and to create uncertainty both for O. P. A. and for industry.

Finally, there are certain amendments which, if enacted, would be disastrous to effective price control. Because I think that at this stage my criticisms of amendments can be more helpful to the Congress than my commendations, I have dealt with these dangerous amendments in greater detail than I have considered those which are helpful or at least not hurtful. I have brought all my comments together in an appendix to this letter, but here I wish to comment briefly on the proposed procedural provisions. These provisions are technical in character, on their face they do not reveal that their enactment would cause the following consequences:

1. By flooding O. P. A. with protests intended, not to raise genuine issues, but to delay enforcement proceedings, they would prevent industry from getting prompt and full consideration of important cases by the board of review which is proposed to be created.

2. By swamping the staffs of our operating departments these protests designed for delay purposes would undo the progress we have made in meeting industry's demand that we speed up our regular work.

3. Complaints designed for delay purposes would make it impossible for the Emergency Court of Appeals to keep abreast of its docket.

4. The freedom to attack regulations at any time would make for continuing instability in price and rent ceilings and uncertainty as to industry's rights and duties.

5. The proposed provisions would give most defendants an easy way to delay trial from 8 months to a year or more, thus assuring widespread acquittals because evidence had become stale or witnesses were missing.

6. The ability of law violators to secure stays, avoid trial for many months, and thus secure acquittals would undermine, if not destroy, voluntary compliance.

What these add up to is widespread industry confusion, a great stimulus to the black market, and inflationary prices to the consumer. I am sure that neither the committee nor the House wants to cause the collapse of price control in an effort to relax existing procedural safeguards. I am confident that a full consideration of the problem will result in agreement that justice to defendants in O. P. A. criminal cases will be fully assured if they are afforded an opportunity to complain after judgment to the Emergency Court of Appeals.

It is heartening to see that the House committee has beaten off the frontal attacks on stabilization by resisting the pressures of special interests to secure favored treatment for particular industries. I know well the force of these pressures because we in O. P. A. are subjected to them every day. I cannot believe that the committee would now sacrifice, by unwise procedural change, what it has gained for price control by its steadfast opposition to demands for special privilege.

Still more dangerous to price control than the procedural amendments proposed by the House committee are those which the Select Committee to Investigate Executive Agencies is sponsoring. Moreover, the changes in the fundamental principles governing the determination of maximum prices and rents which the latter committee advocates amount to a directive to O. P. A. to scrap all the work which it has done and to start issuing a new set of rules calling for higher prices.

While I am sure that if we were able to begin afresh on this job of price control we could do it better because of the experience we have gained, I know that we cannot begin our work anew. Even if it were possible, it would be unfair to American industry to demand that it start to master a new and differ-

ent set of regulations. Moreover, most of the select committee's proposals do not reflect what we have learned; in fact, quite the reverse is true.

We have succeeded for a year in keeping back inflationary pressures which, if uncontrolled, would have shot the cost of living and wages up the inflationary spiral. We have saved the people of the United States \$65,000,000,000 in the cost of the war alone. We have done this without serious injury to any group in the Nation and without impeding the greatest expansion in production in the Nation's history. We think this record should be an adequate answer to those who want us now to turn aside to experiment with a new set of rules.

Sincerely,

CHESTER BOWLES,
Administrator.

COMMENTS BY CHESTER BOWLES, PRICE ADMINISTRATOR, ON THE AMENDMENTS TO THE EMERGENCY PRICE CONTROL AND STABILIZATION ACTS RECOMMENDED BY THE HOUSE COMMITTEE ON BANKING AND CURRENCY

EXTENDING THE ACT

Although, as I have said elsewhere, I believe the need for price control will continue after June 30, 1945, the question whether the acts should be renewed beyond that date is a matter for the consideration of Congress on which I think it inappropriate to comment.

PRICE, RENTS, AND MARKER AND RENTING PRACTICES

1. The accounting methods proviso

This proviso amending section 2 (a) forbids any regulation from requiring costs to be determined "otherwise than by established accounting methods." Actually, we do our best to adhere to such methods, and no instance to the contrary has been disclosed. However, in giving directions for calculating maximum prices, especially for new articles, we often specify the use of certain cost factors without including all those which an accountant might use for the quite different purpose of calculating operating income. If, for that reason, this amendment should be stretched by construction to invalidate those pricing formulas, a total of 169 maximum price regulations would have to be rewritten, and, while few price increases would, I hope, result, the new provisions would call for constant revision. It seems unfair to place upon war-burdened industries the job of recalculating myriads of ceiling prices according to the substitute formulas we should have to devise—all for no perceptible gain either to industry or to price control.

2. The profit control proviso

This proviso amending section 2 (a) forbids any construction of the act which would give the Administrator the right to do what I for one have no intention of ever doing, that is, of fixing profits "where such action has no relation to price control."

3. Consideration of industry recommendations

Two amendments to section 2 (a) require the Administrator in consulting with industry representatives and with industry advisory committees, to give consideration to their respective recommendations. These amendments wisely would make explicit a duty which I have considered as implicit in the existing law and which it is the declared policy of the office to observe.

4. Adjustments of maximum rents for factors within defense rental areas

Here again an amendment would clarify the law by making explicit what heretofore has been implicit. This amendment makes it plain that, when the Administrator considers general factors such as "increases or

decreases in property taxes or other costs," he must consider those factors for the particular area whose rent ceilings he is adjusting.

5. Individual adjustments in certain cases of abnormally high or low maximum rents

The committee has resolutely opposed efforts to require the individual adjustment of rents wherever hardship might be shown since it has recognized that, in a nation of 14,000,000 landlords, such a provision would simply mean the collapse of rent control under a crushing administrative burden. In requiring instead that provision be made for the adjustment of individual rent ceilings where on the maximum rent date, due to peculiar circumstances, rents were abnormally high or low, the committee's proposed amendment to section 2 (c) would impose about as heavy a load as we can hope to carry. Our existing regulations have already gone far in this direction; even if this amendment were not adopted, we should revise them further to carry out the principle it declares as fully as possible.

6. Decontrol of rental areas

This amendment to require the removal of rent control whenever the Administrator finds the need for it to have gone (and to permit its restoration if needed) would make clear the fact that under the present law the Administrator is subject to such a duty. I have already ordered the decontrol of certain areas, and I look forward to decontrolling others just as soon as—and whenever—the governing standards are satisfied.

7. Limitation on subsidies

The committee's proposal to amend section 2 (e) by forbidding future definitions of food commodities as strategic or critical materials and thus to exclude R. F. C. financing of new subsidy programs in the future has the outstanding merit of permitting the continuation of the existing R. F. C. programs which I consider basic to stabilization at present levels. Frankly, I should much prefer to see the R. F. C.'s power untrammelled in the future, but, if the amendment is adopted and if the need requiring the exercise of that power should arise, I hope that the Congress will meet that need by prompt and adequate legislation.

8. The "business-practices" amendment

One of the most troublesome of the proposed amendments is that revising of section 2 (h) which forbids O. P. A. to compel changes in business practices. This revision would strike out the exception which has permitted such changes where they were necessary to prevent circumvention or evasion. It would place the stamp of congressional approval on circumvention and evasion of the law, provided only the method used involved a business practice or the remedy required would compel a change in one.

We have often been accused of changing business practices when all that we had changed was, not a business practice protected by section 2 (h), but a pricing practice falling clearly within the Administrator's authority to establish maximum prices under section 2 (a). However, the business of setting up a comprehensive system of price control has required the change of a good many business practices which, though innocent in themselves, would lead readily to circumvention or evasion. To give a homely illustration, we have set one ceiling for hamburger and a higher ceiling for ground steak. Since, once it is ground, the housewife can no longer tell ground steak from hamburger, it is obvious that a great deal of hamburger would be sold at the higher ground-steak ceiling if O. P. A. allowed steak to be ground in advance of sale. Consequently, to protect the housewife (and also the honest butcher), O. P. A. has had to require that, except for telephone orders, ground steak, if

sold at the higher ceiling, must be ground in her presence. Since in peacetime that had not been the business practice of certain types of stores, doubtless, if the committee proposal were adopted, some of these stores would soon deny O. P. A.'s authority to compel them to grind steak in the presence of their customers.

This typifies the sort of problem which I, as Administrator, would be up against in literally hundreds of industries if the proposed amendment were enacted. Surely the American businessman does not want to see O. P. A. powerless to close the loopholes which less scrupulous competitors may find in the law.

9. Protection of fresh fruits and vegetables from unusual hazards

This proposed amendment adds a new subsection (g) to section 3, requiring the Administrator to adjust maximum prices of fresh fruits or vegetables to make appropriate allowances for major unexpected losses occurring in connection with the production and marketing of such commodities. This proposal is open to an objection which my experience convinces me is both valid and important; it makes mandatory a policy of the sort which can be wisely administered only on a discretionary basis. We have recognized the propriety of some adjustments in cases of the sort contemplated by the proposed amendment, but we are also aware of the practical difficulties arising out of the industry's production and marketing problems which often stand in the way of a satisfactory solution. Without wishing to oppose the objective of the amendment, I do wish to suggest to the House the desirability of a further amendment which would expressly recognize that the exercise of good administrative judgment is required in the handling of situations of the kind here involved.

10. Publication of policy directives

The committee's proposal to require that action exercising supervisory policy-making powers over O. P. A., W. F. A., and W. P. B. be taken by formal order published in the Federal Register, embodies a sound principle and will, I am sure, meet no objection on the part of any of the agencies affected by it. The present proposal eliminates certain technical difficulties which I had criticized in an earlier version.

PROCEDURE

1. Removing the time limit on filing protests

By amending section 203 (a) the committee would permit a protest to be filed against a regulation at any time instead of within 60 days from the date of its issuance or after new grounds of protest, such as increases in costs, had arisen. This would compel the abandonment of an objective of the existing law, the wisdom of which has been demonstrated in experience, namely, that legal questions which go to the basic validity of a regulation should be raised and settled as quickly as possible.¹ The alternative is continuing instability both in our regulations and in the price and trade relationships which are dependent upon them.

There is another and still more serious difficulty in doing away with the 60-day limitation. Once it were removed, O. P. A. would be exposed to an uninterrupted stream of protests. Under a pending Senate amendment, providing a special 60-day period, beginning July 1, 1944, in which all regulations would be open to protest, O. P. A. would have to handle what might prove for a time to be a heavy volume of protests. But most of these protests would be protests based on genuine dissatisfaction with the operation of some regulation or some provision in a regulation. They would not be filed simply as part of a lawyer's maneuver to keep his client from going to trial. The full seriousness of the proposed removal of the present

60-day limitation cannot be appreciated until it is considered in connection with the provisions for the stay of enforcement proceedings, discussed under point 5, below.

2. Creating an administrative board of review

By a proviso to section 203 (c) the committee would provide for the creation within O. P. A. of a board or boards of review to consider protests to regulations filed after September 1. I do not object to this provision; indeed, I can see some very real advantages which should accrue from it once we can get the machinery properly set up and in operation. However, I think it must be recognized that this machinery will slow down the handling of protests. We have acted on protests much more rapidly than has been generally realized. The importance of this factor of added delay will become all the more evident in connection with the next three proposals.

3. Requiring action on protests within a reasonable time

The committee proposes to amend paragraph (a) of section 203 to cut the time for preliminary action on protests by denying the special 90-day period previously allowed for such action after the issuance of regulations. This will often compel piecemeal action on related protests which are filed one by one over the course of the 60 days after issuance.

Another change proposed by the committee would allow a protestant who thinks the Administrator has failed to grant or deny his protest promptly enough, to move in the Emergency Court of Appeals for an order requiring the action to be taken within a reasonable time. This amendment which provides a flexible procedure for handling a knotty problem is, I am told, substantially the same as the existing law. I think its enactment well worth while, however, for it will clearly inform protestants of their rights.

4. Permitting defendants to seek leave to file complaints against regulations with the Emergency Court of Appeals

What I am compelled to say about this and the succeeding provision may seem extreme, but it represents my sober, considered judgment. I do not believe effective price control is possible under these provisions, especially when coupled with the provision, discussed under point 1 above, allowing protests to be filed at all times.

The first of these provisions represents a revision of the provision which was carefully worked out after discussions with members of both the Senate and House committees. The original provision, which was adopted by the Senate committee, was designed to meet what the hearings indicated to be the one major defect in the existing procedure; the chance that a man might be convicted criminally of violating a regulation which he was barred from attacking, because he had failed to do so earlier, even though he had a reasonable excuse for that failure.

What the provision did was to allow, in criminal cases, a defendant to apply after conviction, for leave to file a complaint with the Emergency Court of Appeals that the regulation under which he had been convicted was invalid. In effect, the complaint to the Emergency Court would amount to an appeal from conviction. It would be granted only to defendants acting in good faith who had a reasonable excuse for having failed to protest within the regular 60-day period.

What the House committee has done is to make the complaint procedure apply in all cases, civil as well as criminal, despite the fact that an amendment allowing the courts to reduce damages from three times to one and one-half times the overcharge, effectively removed the danger that the damage suit might be oppressive to a nonwillful violator.

The House committee then will allow the application for leave to be made at any stage of the proceeding. How dangerous this can become is evident when the next provision is considered.

5. Authorizing stays of all enforcement proceedings when protests or complaints against regulations are pending.

Unlike the Senate provisions which entirely removes the protest and complaint as a means of delaying trial, the House committee amendment invites the collapse of our enforcement activities by requiring a court to stay any enforcement proceeding if it finds that a protest filed in good faith is pending or if it grants leave to a defendant to file a complaint with the Emergency Court of Appeals attacking the validity of a regulation.

The only protection which O. P. A. would have against the manipulation of the protest and complaint procedures would be the courts' ability to detect bad faith on the part of protestants and the courts' willingness to deny to such protestants the stays which they request. We know too well how plausible are the tales of misfortune and inadvertence, which any resourceful protestant can tell, to have confidence in the protection which the "good faith" finding would actually accord us.

It is impossible to overestimate the incentive which these House committee provisions would give for protests and complaints against regulations. Given a protestant who has every reason to wish for delay, it would be difficult—especially with the new board of review procedure—to close protest proceedings in less than from 4 to 6 months. Then would come an appeal to the Emergency Court of Appeals. Although, for an appellate court, its procedure is unusually expeditious, the case would require at least 4 months and, again, delay-minded counsel could readily stretch this period a month or two longer. Then could come a petition for certiorari to the Supreme Court. In other words, the House committee amendments place at the disposal of defendants a ready means of delaying trial from 8 months to a year, or even longer.

Consider what that means to this office which has been doing one of the biggest enforcement jobs that any governmental agency has ever been called upon to handle. From five to seven hundred rent and price proceedings are started every month. It is a Herculean task to carry them through to a successful conclusion—and we have been successful in 94 percent of our cases. With evidence growing stale, with business records being lost, with witnesses leaving the district, and with the usual turn-over in enforcement staff, 8 to 12 months delay would be tantamount to an acquittal in a great many cases, and, of course, defense lawyers would be well aware of this fact.

They would also know that the Emergency Price Control Act is, after all, emergency legislation, and that, if cases were delayed sufficiently long and conditions changed, repeal of the act might allow their clients to escape.

As the flood of protests in the O. P. A. began to mount, the capacity of the O. P. A. operating staffs to handle the problems presented to the review board would steadily deteriorate. Moreover, delay in the regular operation of the Price and Rent Departments would be the inevitable consequence of absorption in protest and review proceedings. This would hurt the effectiveness of price control almost as much as the break-down in compliance and enforcement, which would inevitably come when people began to notice how notorious violators were escaping trial and how readily defense counsel could tie up O. P. A. cases.

Not only would this undo much of the progress which has been made toward getting O. P. A. running on a businesslike basis,

the Emergency Court's docket would soon be clogged with cases filed only for purposes of delay. The court's opportunity to give due attention to the important cases justifiably before it would be correspondingly impaired.

There are many ways to destroy price control. The method I have just described is one of the most painful and the most certain.

6. *Authorization of damages at one and one-half times the overcharge*

The committee proposes to amend section 205 (e) to permit the damages recoverable against a defendant found to have made an overcharge to be fixed by the court at less than the treble damages required by the existing law. The minimum amount recoverable would be one and one-half times the overcharge or \$50, whichever is higher. This relaxation would, of course, reduce the deterrent effect of the present law and discourage the settlement of cases.

7. *Protection against the cumulation of \$50 damages*

In a few cases we have learned that advantage has been taken of the \$50 minimum damages provision to recover that amount for every day a daily maximum rent was exceeded or for every transaction in a series of small related sales. I approve the proposed amendment to section 205 (e) to prevent the recurrence of this abuse.

AMENDMENTS TO THE STABILIZATION ACT

1. *Change of "may" to "shall" in section 1*

The committee proposes to amend the second sentence in the Stabilization Act by substituting the word "shall" for "may" so that the sentence would read:

"The President shall, except as otherwise provided in this act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities."

This amendment appears to make price adjustments mandatory where before they were discretionary. It does not apply to rents. If adopted, it would be taken as a finding by the Congress that there have not been enough price and wage increases. In effect, the Congress would be understood as saying to the Price Administrator and the Economic Stabilization Director: You have abused your discretion by denying too many price increases, where you had authority to grant them, so that now your discretion to deny must be taken away.

Any such announcement by the Congress could not fail to do damage to the stabilization program. Nor would it be saved from doing damage by the fact that, on close reading, the amendment turns out not to create any clear obligation to authorize a price increase in any specific type of situation. The vagueness of the language would not prevent it from being made the basis for new demands for price increases. The apparent expression of Congress of disapproval of present policies would inevitably weaken O. P. A.'s ability to resist these demands in situations in which they plainly ought to be resisted.

In the Stabilization Act the Congress made stabilization the rule and price and wage increases the exception. In this crucial stage of the effort to keep prices and wages stable it ought to avoid even the appearance of reversing this policy and turning the exceptions into rules.

2. *Change of "may" to "shall" in section 3*

The committee proposes a similar amendment to the first proviso in section 3, which applies to agricultural commodities, so that the proviso would read: "Provided, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities."

The comments made under point 1 above would be pertinent here but for the fact that

this proviso has been utilized as a justification for reducing maximum prices of agricultural commodities which otherwise would be raised to grossly inequitable levels by clause (2) of section 3. Increases in maximum prices of such commodities to correct gross inequities can, of course, be made under section 1 without recourse to this proviso in section 3. I doubt that the committee feels that the Price Administrator and Economic Stabilization Director have reduced too few agricultural prices for gross inequities, yet so the committee's change would imply.

3. *Authorization to investigations of stabilization activities*

The committee has proposed the addition of a new section 12 which would authorize investigations by both House and Senate Committees on Banking and Currency into the effectiveness of stabilization activities and their effect upon industry, production, renting and housing, and distribution. If, as I hope, this provision is adopted, I shall be glad to cooperate fully with either committee in any investigation it may undertake. I believe the thorough consideration given by both committees to our experience to date should greatly facilitate any future inquiry.

Summary of Postal Legislation Enacted by the Seventy-eighth Congress Up to This Date

EXTENSION OF REMARKS
OF

HON. HAROLD C. HAGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1944

Mr. HAGEN. Mr. Speaker, few departments of the Federal Government have felt the impact of the war more than the postal service and its several branches. The war has created new problems both for those who administer the postal service from the Postmaster General down to the postmaster in a crossroads or inland town, and also for the postal employees ranging from supervisory employees and clerks down to custodians and watchmen.

The duties of all postal employees have increased. War has created serious shortages of manpower in a great many offices. Many postal employees were drafted before the seriousness of the situation was realized and a deferment policy established. Other employees were attracted by the fine wages paid in defense plants and they abandoned the postal jobs with their comparatively low wage for better jobs in industry.

Yet essentially the postal workers are defense workers. Without their faithful and efficient service there really would be a bottleneck in the war effort. These experienced and capable postal employees keep speeding on their way highly important mail relative to defense work, priorities, plans, blueprints, and hundreds of other items. Influx of workers in defense or war plant areas have complicated the problems of the city carriers. Priorities have harassed the rural and star route carriers as they have had difficulty in keeping their mail service vehicles in operation.

The House Committee on the Post Office and Post Roads, a major committee, on which it has been my privilege to serve since coming to Congress, has had referred to it during the two sessions of this Congress, considerable legislation affecting the Postal Service.

Many persons serving the Nation in wartime under the Post Office Department have written me relative to some of the laws concerning post offices, postal employees, and postal service. That those interested in the subject may have a report of legislation on these important subjects, I have prepared the following summary of measures which have been enacted into law during this Congress up to June 7, 1944:

PUBLIC LAW 271 (H. R. 324) BY MR. BURCH OF VIRGINIA

To place postmasters at fourth-class post offices on an annual salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof. The purpose of this proposed legislation is to change the method of determining the amount of making payment of compensation to postmasters of the fourth class. Under the old system postmasters of the fourth class are compensated upon the stamp cancellations of their respective offices. They are their own accountants, count the cancellations on mail dispatched from their offices, and calculate their commissions on such cancellations. The system is quite complicated and subject to many errors. The increase in cost will be eliminated because of the efficiency of the system over the one now in use.

PUBLIC LAW 124 (H. R. 1004) BY MR. HAGEN OF MINNESOTA

To relieve newspapers and periodical publications which have voluntarily suspended publication for the duration of the war from payment of second-class mailing fees upon resumption of publication.

PUBLIC LAW 25 (H. R. 1366) BY MR. O'BRIEN OF MICHIGAN

To provide temporary additional compensation for employees in the postal service. The purpose of this proposed legislation is to make appropriate provision for a temporary increase in compensation of postal employees, in recognition of the fact that the cost of living has increased so that under present conditions the compensation received by postal employees is inadequate. The increase in compensation provided for will apply to all employees in the field service of the Post Office Department.

PUBLIC LAW 306 (H. R. 1565) BY MR. ALLEN OF LOUISIANA

Relating to the appointment of postmasters.

The purpose of this proposed legislation is to obviate the requirement that postmasters in offices of the fourth class shall take an examination when such office is advanced to third class, or shall take an examination when a third-class office is relegated to the fourth class. Since the discontinuance of such examinations would result in a saving of time to the Civil Service Commission and expense to the Government, the enactment of this bill will be advantageous both to the Postal Service and to the public, as well as to the morale of the postmasters affected.

PUBLIC LAW 205 (H. R. 2080) BY MR. COLE OF MISSOURI

To provide additional pay for equipment maintenance for each carrier in Rural Mail Delivery Service.

The purpose of this legislation is to assist the rural carriers toward meeting the rapidly increasing cost of maintaining their equip-

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 10, 1944, for actions of Friday, June 9, 1944)

(For staff of the Department only)

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HOUSE

1. PRICE CONTROL EXTENSION. Continued debate on H.R. 4941, to extend the Price Control and Stabilization Acts (pp. 5731-62). Agreed, 131-66, to Rep. Gifford's (Pa.) amendment to provide that fish prices shall reflect the highest average price for such commodity for the year 1942, or reflect to producers prices or wages equal to the highest wages or prices paid to such producers between Jan. 1 and Sept. 15, 1942 (pp. 5754-7), and 96-67, Rep. Izac's (Calif.) amendment relating to rent-control adjustments (pp. 5757-62). Rejected, 91-177, Rep. Folger's (N. C.) amendment that would provide that producers of manufactured agricultural commodities would receive prices based on an equitable margin based on the highest cost among producers of 90% of the product involved (pp. 5734-47); 63-121, Rep. Crawford's (Mich.) amendment to substitute the Smith Committee version of Sec. 2, on "Prices and Market Practices" (pp. 5747-53); and, 92-92 (chair voting), Rep. Gifford's (Pa.) amendment to exclude fresh fishery commodities from the provisions of the Price Control Act (pp. 5753-4).
2. LEGISLATIVE-JUDICIARY APPROPRIATION BILL. Received the conference report on this bill, H.R. 4414, (p. 5729). The report does not include any items of specific interest.
3. INDEPENDENT OFFICES APPROPRIATION BILL. Reps. Woodrum, Fitzpatrick, Starnes, Hendricks, Wigglesworth, Dirksen, and Case were appointed conferees for a further conference after Rep. Woodrum's motion to insist on disagreement to the Senate amendments was agreed to (p. 5730). (See Digest 105, for items in disagreement.)
4. GUAYULE RUBBER. Rep. Poage, Tex., urged that the House provide for the continuation of the guayule rubber program in H.R. 4443, the agricultural appropriation bill. (The Senate struck out the House language providing for liquidation of this project.)

- 2 -
5. PERSONNEL; EMPLOYEES' SUGGESTIONS. Patents Committee reported with amendment S. 1232, to provide equitable compensation for useful suggestions by Interior personnel (H. Rept. 1617) (p. 5765).

SENATE

6. TRAVEL. Received CSC's proposed legislation to authorize the delegation of authority to approve payment of travel and transfer of household goods expenses in connection with the transfer of civilian employees from one station to another. To Expenditure in the Executive Departments Committee. (p. 5671.)
7. RECLAMATION; WATER CONSERVATION. Sen. Nye, N. Dak., inserted his statement urging consideration of reclamation needs rather than navigation needs in connection with the future use of Missouri River waters (pp. 5674-7).
8. PRICE CONTROL. Passed with amendments S. 1764, to amend the Emergency Price Control and Stabilization Acts (pp. 5677-724, A3124). Agreed, 39-35, to Sen. Bankhead's cotton-textile amendment providing that the maximum price for any cotton-textile item shall not be less than the sum of cotton or yarn costs, manufacturing and marketing costs, and a reasonable profit; providing for cotton-cost computation at parity after a temporary period; and requiring change in textile prices when there is a change in cotton costs, with "perfecting" amendments by Sen. Bankhead relating to price fixing for cotton textiles in cases where the Price Administrator or War Food Administrator has determined such item to be necessary for the war effort or in cases where the Price Administrator finds maximum prices in excess of a price which is "generally fair and equitable," after rejecting, 24-51, Sen. Maloney's (Conn.) substitute amendment which would authorize the Office of Economic Stabilization to coordinate all Government agencies concerned with the production and distribution of textile items so as to effectuate a policy to increase the supply and improve the quality of such products to the maximum extent consistent with the effective prosecution of the war and the stabilization of the cost of living (pp. 5677-99). Agreed to the committee amendments continuing the provisions of the Act until Dec. 31, 1945, and increasing the commodity-loan and price-support rate from 90% to 95% (p. 5703). Agreed to Sen. Stewart's (Tenn.) amendment providing for adequate allowance for production and marketing hazards on fresh fruits and vegetables in determining maximum prices (p. 5704).

During the discussion on the Bankhead amendment, Sen. Maloney stated, "I see in the adoption of the amendment....a letting down of the bars, a breaking of the line, a complete destruction of the barrier against runaway prices and wages" (p. 5658). Sen. Willis, Ind., inserted a statement concerning abuses in connection with a WFA market regulation affecting the sales of hogs (p. 5722).

9. ADJOURNED until Mon., June 12 (p. 5728). The Appropriations Committee was authorized to file appropriation bill reports during recess, and Sen. McKellar stated that only 2 out of 13 appropriation bills have finally passed Congress (p. 5726).

BILLS INTRODUCED

10. PERSONNEL. By Sen. Davis, Pa., S. 1990, to create a U.S. Civil Service Board of Appeals. To Civil Service Committee. (p. 5671.)
- Law,
11. WAR POWERS. By Rep. Sumners, Tex., H.R. 4993, to amend Public Law No. 507, 77th Cong., the Second War Powers Act of 1942. To Judiciary Committee. (p. 5765.)
12. FARM MACHINERY. By Rep. Fulmer, S. C., H.R. 4990, providing for the sale of certain surplus military vehicles and equipment to farmers and to servicemen who

intend to engage in or resume farming. To Agriculture Committee. (p. 5765.)

By Rep. Mills, Ark., H.R. 4992, to provide for making certain surplus materials, equipment, and supplies available for soil- and water-conservation work through the distribution thereof, by grant or loan, to public bodies organized under State laws. To Agriculture Committee. (p. 5765.)

ITEMS IN APPENDIX

13. POST-WAR AGRICULTURE; SUBSIDIES; PRICE CONTROL. Speech in the House by Rep. Fatman, Tex., discussing post-war plans for agriculture and, including tables and excerpts from addresses by Judge Jones and Vice President Wallace, urging continuance of the Emergency Price Control and Stabilization Acts (pp. A3113-2)
14. PRICE CONTROL. Speeches in the House by Reps. Monroney, Okla., and Sauthoff, Wis., favoring extension of the Emergency Price Control Act of 1942 (pp. A3121-25, A3131-33).
 - Extension of remarks of Rep. Rizley, Okla., criticizing OPA's price ceiling on watermelons (p. A3138).
 - Extension of remarks of Rep. Miller, Nebr., criticizing the administration of the Price Control Act and the Economic Stabilization Act, stating, "They (O. P. A.) have failed in many instances to control inflation" (p. A3139-41).
 - Rep. Andresen, Minn., inserted his proposed amendments to the price control bill (p. A3142).
 - Extension of remarks of Rep. McKenzie, La., urging "efficient" administration of the O.P.A.
 - Extension of remarks of Rep. Jenkins, Ohio, including the Republican Congressional Food Study Committee's proposed amendments to the Price Control Act (pp. A3145-46).
 - Extension of remarks of Rep. Outland, Calif., including a statement signed by "outstanding organizations," urging continuance of the Price Control Act as it is "without any weakening amendments" (pp. 3152-53).
15. POST-WAR EMPLOYMENT. Extension of remarks of Rep. Coffee, Wash., including a constituent's plan for post-war employment (pp. A3147-48).
16. FOREIGN RELIEF. Extension of remarks of Rep. Outland, Calif., including Washington Post editorial criticizing the reduction in the U. N. R. R. A. appropriation (p. A3153).
17. FORESTRY. Extension of remarks of Rep. Cochran, Mo., including facts and figures on the Jackson Hole National Monument (pp. A3122-24).
18. ADMINISTRATIVE LAW. Extension of remarks of Rep. Mundt, S. Dak., including a Women Lawyers Journal article urging "simplifications and improvements in the Federal administrative process" (pp. A3133-35).
19. FLOOD CONTROL; IRRIGATION. Extension of remarks of Sen. Butler, Nebr., including a Nebraska Farmer editorial urging that the waters of the Missouri River Basin be used for irrigation rather than navigation purposes (pp. A3135-36).
20. TRANSPORTATION. Extension of remarks of Rep. Hebert, La., urging greater use of inland waterways for transportation (pp. A3151-52).
21. ELECTRIFICATION. Extension of remarks of Rep. Hagen, Minn., concerning the benefits of electricity to farmers and including a National Rural Electric Cooperative Assn. letter relating to legislation affecting REA (p. A3159).

of approach to this issue, any one of which, if followed through, will convince the doubters that the plan to expand irrigation in the Missouri Basin is amply justified.

In the first place the States of the upper basin are not parasites upon the Nation. Their agriculture, although handicapped and cheated of dependable reward for its labors, is an essential source of the Nation's food supply. Even in the drought period of 1930-39, the upper Plains States—the Dakotas, Montana, Wyoming, Colorado, Kansas, and Nebraska—produced 41.5 percent of the Nation's wheat, 43.4 percent of the Nation's barley. In 1941 they produced 51.7 percent of the Nation's wheat, 50.4 percent of the Nation's barley, 61.9 percent of the Nation's rye, and 32.7 percent of the Nation's wool. This production record is the more remarkable when, as Dean H. L. Walster, of the North Dakota Agricultural College, points out, "This tremendous job of filling the breadbaskets and granaries of the Nation was performed by 7.4 percent of the farm people of the Nation." Yet the lack of dependable moisture, year in and year out, is causing the States from which the Nation derives the great portion of its finest Hard Spring wheat to lose heavily in productive manpower. Its past record in production of crops vital to the country justifies the view that the Nation as a whole has a stake in the maintenance of this productive capacity.

Interestingly, the proposed irrigation projects in the upper basin are from the standpoint of the geography of the country "a natural" for giving this important region a backbone of agricultural stability. The upper Missouri runs right through the middle of those States which have suffered worst from lack of dependable moisture. The irrigated sections are widely distributed. It would be difficult to conceive of a situation in which the benefits of irrigation from a great river would be more widely distributed to aid a larger proportion of the people of a distressed region. But as the Kansas City Star well knows, the Missouri and its major tributaries flow through many States, and the problem of harnessing these now-wasted waters is too great for the States severally to work out. To achieve the possible benefits of this great natural opportunity for conservation is a task for the National Government.

AN INSURANCE POLICY

It would be possible, we believe, to justify the upper Missouri irrigation projects solely as an insurance policy against the recurrence of conditions which, during the 1930's, made it necessary for the Federal Government to spend many millions of dollars for the relief of families made destitute by drought. In one of these counties alone, a county which would be directly served by irrigation, the cost of public relief in 1 year (1938-39) exceeded \$1,000,000.

We have rightly come to a stage of development in America where we regard it more and more the main job of democracy to achieve a rich and satisfying environment for the human resources of the Nation. Farming, whether it is in Missouri or Ohio, or Georgia, has ever been the foundation of American life. We reject wholly the idea, suggested in the Star's argument, that a great America can ever have too many farmers. Farming is a way of life that is congenial to the democratic system. When it can be made sufficiently stable to provide a sure foundation for home and family life, it is a way of living to be encouraged as socially gainful, even if the economic balances have to be adjusted to insure the produce his due share of the wealth created by his effort. While there are many details yet to be worked out with respect to the planning of these irrigation projects, the farmers of Missouri may rest assured that when the projects are completed, the operators will be working on units of a size and char-

acter which will provide the basis of a good subsistence according to American standards of independent living. There will be room, then, in the Plains States for a considerable number of new families of people who want to live by farming but who, today, cannot find land where they can make a living.

The scope of the proposed developments in the Missouri basin, including the multiple aims of flood control, water storage, navigation, and irrigation, is wide enough to suggest that, with irrigation not ruled out, they will provide an undertaking which, in its construction and reconstructive phases, will help the Nation to keep its employment level high in the years after the soldiers come back home.

MORE THAN IRRIGATION

Finally, it must not be forgotten that the plans of the reclamation interests in the upper basin include a good deal more than the irrigation of 4,000,000 acres of land now devoted to dry-land farms. They provide the means for renewing and enlarging the municipal and industrial water supply of cities and villages and farming areas in a much larger territory than is represented by the number of acres to be irrigated. In that respect, the proposed developments represent a part of a nation's efforts to conserve its ground waters and to make better use of water supplies which are being wasted. More and more, the Nation is recognizing that in all parts of the country its ground waters are being wastefully tapped and misused. This cannot but become a Federal problem in some of its phases. It will be wasted water, from which the lower basin States do not now derive benefit but rather losses through floods, which will give the upper basin new life-restoring water lines, if the reclamation projects are carried to completion.

Is there a need for the reclamation program outlined for the upper basin States, including the 4,000,000 acres of irrigated land? Yes, for the reason that the future of the Nation demands that its resources be conserved, wherever they are, and turned to constructive uses which will serve the greatest good for the greatest number. Yes, because the natural features of the upper basin make it possible to turn the waste flow of the Missouri into ditches which will carry sure moisture and fresh-water supply to the farms and homes of the largest number of families ever reached by a water-diversion program. It will give the stability that irrigation alone can give to an essential agriculture which has had no greater problem than lack of water, and which has been periodically driven to destitution despite the most valiant persistence. By sending out fingers of water over a stretch of valley land from Fort Peck to Sioux City, it actually will put a substitute for raindrops on 11 percent of the tillable basin land in that area. We cannot believe that the farmers of the lower basin would deny their neighbors to the north the benefits of this substitute for rain, so vital to so great a region, when the denial would not deprive them of any usable water which they are now getting.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 754. An act for the relief of Iver M. Gesteland;

S. 891. An act for the relief of Rebecca Collins and W. W. Collins;

S. 1081. An act to add certain lands to the Upper Mississippi River Wild Life and Fish Refuge;

S. 1093. An act for the relief of Fermin Salas;

S. 1102. An act for the relief of Helene Murphy;

S. 1112. An act for the relief of Taylor W. Tonge;

S. 1247. An act for the relief of the Bishopville Milling Co.;

S. 1281. An act for the relief of Rebecca A. Knight and Martha A. Christian;

S. 1305. An act for the relief of Anne Rebecca Lewis and Mary Lewis;

S. 1335. An act to amend the fourth and fifth provisos of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437, 438; 30 U. S. C., secs. 201, 202);

S. 1355. An act for the relief of Robert C. Harris;

S. 1416. An act for the relief of Mrs. Judith H. Sedler, Administratrix of the estate of Anthony F. Sedler, deceased;

S. 1553. An act for the relief of J. M. Miller, James W. Williams, and Gilbert Theriot;

S. 1660. An act granting the consent of Congress to the Minnesota Department of Highways and the county of Crow Wing in Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at Mill Street, in Brainerd, Minn.

S. 1682. An act to provide for the payment of compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii;

S. 1837. An act for the relief of Lt. (Jr. Gr.) Hugh A. Shiels, United States Naval Reserve;

S. 1944. An act to amend the act entitled "An act to provide books for the adult blind";

H. R. 3236. An act to provide aid to dependent children in the District of Columbia; and

H. J. Res. 242. Joint resolution to amend an act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a minimum wage board, and define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes", approved September 19, 1918, as amended.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.)

MR. WILEY. Mr. President, I send to the desk a proposed amendment to the pending measure, which would, on page 13, line 24, change the word "paragraph" to "paragraphs" and insert the following:

No action shall be taken under authority of this act with respect to an increase in any wages or salaries in any case in which such increase has been agreed upon by the employer and employee and will not result in the payment of wages or salaries at a rate greater than \$37.50 per week. For the purpose of the preceding sentence, if the employee ordinarily works overtime and extra compensation is paid therefor, such extra compensation shall be included in determining the rate of wages or salaries paid.

Mr. President, I desire briefly to state the purpose of this amendment and at the appropriate time to call it up. It will be noted that the total amount of wages that could be paid, including regular wages and overtime, would be \$1,950

a year; that would be the top wage. There are literally thousands of cases affecting people who are not engaged in war work where both the employer and employee have reached an agreement on wages. At the present time they have to file an application with the regional office of the War Labor Board in Chicago. Cases have piled up and no decision reached, and consequently, a good many people engaged in private business, not war work, are losing their help because they cannot pay the wages they want to pay to the employees. This is particularly true in the case of lumber yards and elevators; indeed, of practically every line of business.

So my contention is that in order to afford relief and also to take care of the 20,000,000 in the white-collar class, such as school teachers and clerks, who are not now deriving benefits from war expenditures but are living under reduced standards of living, such an amendment as I propose should be adopted. It would give employers an opportunity to pay such persons more wages because of the increased cost of living, without going before the War Labor Board. The only relief which under the present law can be granted without W. P. B. approval is in cases where the employee receives less than 40 cents an hour his compensation can be increased to 40 cents an hour. Under my amendment the employer and employee could agree and a raise in salary or wages could be effected without W. P. B. approval up to \$1,950 a year.

This thing is a matter of such serious consequence that I felt I would not be trespassing upon the business of the Senate if I made a few prefatory remarks at this time.

There are instances of school teachers, of city employees, of store clerks, of factory workers—the white collar class—whose numbers run up to 20,000,000, who have literally had their earnings sabotaged in the war effort because their compensation could not be increased and living costs have gone up.

The argument may be made of course, that if their compensation is increased, it will tend to contribute toward inflation. To that, Mr. President, I say "No." Anyone who lives on a substandard basis in wartime, when the national income has run up to \$135,000,000,000, is entitled to have at least a little increase in his earnings, and such an increase will not contribute toward the inflationary trend.

Let us do justice to the white-collar class of America. My amendment will do that.

I ask that the amendment be printed and lie on the table.

The ACTING PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Radcliffe
Austin	Gillette	Reed
Ball	Guffey	Robertson
Bankhead	Gurney	Russell
Barkley	Hatch	Shipstead
Bilbo	Hawkes	Stewart
Brewster	Hill	Taft
Bridges	Holman	Thomas, Idaho
Burton	Jackson	Thomas, Okla.
Bushfield	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	La Follette	Truman
Capper	Lucas	Tunnell
Caraway	McClellan	Vandenberg
Chandler	McFarland	Wagner
Chavez	McKellar	Wallgren
Clark, Mo.	Maloney	Walsh, Mass.
Connally	Maybank	Walsh, N. J.
Cordon	Mead	Weeks
Danaher	Millikin	Wheeler
Davis	Moore	Wherry
Downey	Murdoch	White
Eastland	Murray	Wiley
Ellender	Nye	Willis
Ferguson	O'Daniel	Wilson
George	Overton	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from North Dakota [Mr. LANGER], and the Senator from West Virginia [Mr. REVERCOMB].

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment, beginning on page 11, line 20, relating to cotton textiles.

Mr. LA FOLLETTE. Mr. President, is the amendment referred to by the Chair the amendment which has been heretofore under consideration?

The PRESIDING OFFICER. Yes; section 201.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Eastland
Austin	Capper	Ellender
Ball	Caraway	Ferguson
Bankhead	Chandler	George
Barkley	Chavez	Gerry
Bilbo	Clark, Mo.	Gillette
Brewster	Connally	Guffey
Bridges	Cordon	Gurney
Burton	Danaher	Hatch
Bushfield	Davis	Hawkes
Butler	Downey	Hill

Holman	Murray	Truman
Jackson	Nye	Tunnell
Johnson, Colo.	O'Daniel	Vandenberg
Kilgore	Overton	Wagner
La Follette	Radcliffe	Wallgren
Lucas	Reed	Walsh, Mass.
McClellan	Robertson	Walsh, N. J.
McFarland	Russell	Weeks
McKellar	Shipstead	Wheeler
Maloney	Stewart	Wherry
Maybank	Taft	White
Mead	Thomas, Idaho	Wiley
Millikin	Thomas, Okla.	Willis
Moore	Thomas, Utah	Wilson
Murdock	Tobey	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. ELLENDER. Mr. President, I desire to make a few remarks in opposition to the pending amendment. I dislike to disagree with my leader, the Senator from Alabama [Mr. BANKHEAD] on legislation that affects our farming population. Ever since I have been in the Senate, I have followed his leadership, and it has been only on a few occasions that we have differed.

I am of the firm belief that it would be a mistake for the Senate to adopt the so-called Bankhead amendment. It will not aid the cotton farmer but will tend to break down our stabilization program, and some of the real sufferers will be the tillers of the soil.

We have made splendid progress up to now in stabilizing our economy. We had rough roads to travel on soon after the Price Control Act was adopted by the Congress. It was a new venture for the American people. We had to chart our own course. Many of our citizens did not cherish the idea of having so-called bureaucrats write rules and regulations saying how they should or should not operate their businesses. But as a war measure price control and rationing of commodities were necessary, and I am certain that the program has resulted in making it possible for us to more quickly prepare ourselves to fight the Huns and the Japs.

Mr. President, the figures show that the cost of industrial material rose 165 percent during World War No. 1 in contrast to a rise of only 22 percent during World War No. 2. The cost of steel plate rose 700 percent during the last war in contrast to zero during this war. The program has meant a saving to our Nation and our people as has been estimated and stated on many occasions of almost \$100,000,000,000. The effect on production has been very striking. Production in our industries rose during this war 130 percent in contrast to only 25 percent during World War No. 1. Agricultural production rose but 5 percent during World War No. 1 in contrast to 21 percent during this war.

Mr. President, I maintain that this marvelous showing is attributable to our stabilization program. Industry knew where it was headed and could make plans far ahead. The figures show that American industry made big profits notwithstanding price control and rationing regulations. Profits rose 156 percent above those that were made during the 4 years preceding the war. All shared in the profits and none made less than those that prevailed before the war. Farm incomes under this stabilization program

also rose, as has been shown on many occasions. Here are the figures: In 1940 the net returns for farmers was \$4,500,000,000; in 1942, \$10,000,000,000; in 1943, \$13,000,000,000; and probably as much as \$15,000,000,000 in 1944. Mr. President, we cannot afford to destroy those gains. We must and should renew the Price Control Act without crippling it.

We cannot afford now to select any particular group and allow it to have advantages which other groups do not enjoy. As I interpret the pending amendment there is absolutely no doubt in my mind that that is what would occur. The cotton textile business will be in a class by itself. There is no question that other manufacturers would like to have the formula which is written in the Bankhead amendment applied to the operation of their businesses. Why do I say that? The amendment is plain in stating that for textile manufacturers three rigid factors are incorporated in the bill so as to determine cost and profits. The first is the cotton factor, the price of the raw cotton. Under that heading, in fixing the price of the material or the yarn, the parity price must be taken into consideration. I do not say it must be paid, but the price of raw cotton must reflect the parity price thereof. Mr. President, that is now the law. The Bankhead amendment does not provide that parity shall be paid to the farmer but only that the parity price shall be considered in fixing ceiling prices of the cotton yarn. The computation must be made every other 60 days.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MURDOCK. I think the statement just made by the Senator from Louisiana, namely, that the price of the material must reflect parity, is a little misleading. The situation created is simply that regardless of the cost of cotton, in figuring the maximum price for textile products the O. P. A. must deem that the parity price was paid, regardless of whether it actually was paid.

Mr. ELLENDER. That is true; but the ceilings fixed must be high enough so as to enable the textile mills to pay parity.

Mr. MURDOCK. I think the Senator's use of the words "must reflect parity" was a little misleading. That is why I interrupted.

Mr. ELLENDER. When prices on textiles were fixed in May 1942, the market price of cotton, as I recall the figure, was 19.2 cents a pound. Within a few months the price of raw cotton reached parity. The mills paid parity through April of 1943, and the price has not changed much since that time. The price, as I recall, was around 20.3 cents per pound. Now, when the parity index was upped—and with it, of course, the price of raw cotton was increased—it was only then that the mills failed to pay the increased parity price for raw cotton.

There are some good reasons for the present situation; one is, that mills will not pay parity. We have now a supply of cotton of sufficient size to last our mills a whole year, even though not one pound of cotton was made during the

coming cotton crop that will begin to mature in about July of this year. We have a large surplus on hand—a carry-over of 10,600,000 bales—and the law of supply and demand, of course, is in evidence. I can demonstrate in my own case what the law of supply and demand caused to my potato crops of 1943 and 1944, respectively.

Last year, on my farm in Louisiana, I produced about 6,400 bags of potatoes. The demand was enormous. I could have obtained for those potatoes \$5 a hundred on my farm had I desired to violate the law. I was paid ceiling prices on every pound that I produced. This year we had a ceiling price on potatoes, as we had last year. The only difference was that the ceiling was a little lower in 1943 than in 1944. In 1943 it was \$2.80 per 100 pounds, and this year it was \$3.25; but because of the supply, because there were more potatoes to sell, than there was demand, at the time I sold, I did not receive \$3.25, which was the ceiling price. The average price paid me was only \$2.54. The reason for that was that the supply was greater than the demand. Later in the season the prices of potatoes took a sharp advance because the expected crop production in some areas was far below previous estimates.

There is another reason why the mills are not operating at full speed, and that is lack of labor. Let me read from a news item which was published in the Times-Picayune, a daily newspaper published in New Orleans, in its issue of June 5, 1944, under an Atlanta date line of June 4:

ATLANTA, June 4.—Continued and intensified labor shortages, complicated by a shortage of carding facilities, was predicted for the Southern textile industry by the Atlanta Federal Reserve Bank.

"Even after the conclusion of hostilities, the textile mills of the (sixth) district will probably have difficulty meeting demands unless a substantial expansion program is undertaken," the bank's monthly review said, but added doubt that such an expansion program would be justified in the long run.

The bank said the industry, largest single employer of labor in the district, had been dropping in production since 1942 and attributed this to a shortage of manufacturing capacity in certain lines and failure properly to maintain plants. The labor shortage has been apparent only for the past year or so, the bank said.

"It has been impossible for the industry to maintain its labor force at the necessary size because wages have usually been substantially below those paid by new wartime industries in adjacent localities," the report added.

Absenteeism, described as avoidable, was blamed for much labor trouble. The bank attributed this to lack of housing, shortage of day-care facilities for children of working mothers, transportation troubles, shopping difficulties, and the shortage of domestic servants.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. I call attention to the fact that the bulletin of the Boston Federal Reserve Bank, commenting on the same situation as applied to textile manufacturers, made substantially the same statement as that contained in the Atlanta report.

Mr. ELLENDER. I thank the Senator. There is no question in my mind that the main reason why cotton textile mills are not running to capacity is because of labor shortage, as I have just indicated. Since the textile mills can buy all the cotton they want, they do not need to buy in advance and fill their warehouses. The supply is so great that they need not beg for it, and that is the main reason why the price of cotton has not gone up. The fact that less cotton is consumed by the mills means that our already big surplus has increased.

I am among those who favor paying the farmers parity for their cotton. I have been fighting for them ever since I first took my seat in this body. In my judgment the amount which may be borrowed on cotton should be increased from 90 to about 95 percent, as the bill now provides. In my opinion that would come nearer giving the farmer parity prices than a formula written into the law which would increase the cost of textile goods. That is all that the pending amendment would accomplish as I have previously indicated. Without in any manner casting any reflection on the author and the supporters of this amendment, I contend that the amendment can be tagged as a textile amendment, that is, one for the benefit of the textile mills, and not in the interest of the farmers.

For the small increase that the farmers may receive for their cotton, they will have to pay much more for what they need. The clothing bill for themselves and their children will advance by leaps and bounds.

Mr. President, in that connection let me cite a few figures to show what the farmers received for all their commodities during this war in contrast to World War No. 1. I should have said percentage increase. In World War No. 1 the percent price increase was 91 and during this war 119 percent. Now let us see what farmers paid—that is in terms of percentage—for commodities they purchased, interest and taxes during World War No. 1 and World War No. 2. During World War No. 1 the percentage of increase was 71 and during World War No. 2, 34 percent. In other words, farmers received for their products 28 percent more during World War No. 1 than World War No. 2 and they paid 37 percent less for what they purchased during World War No. 2 than World War No. 1. I attribute this showing to price control and our stabilization program.

Mr. President, I will now discuss the second factor contained in the amendment—that is, the manufacturer's cost. How is that to be arrived at? Is it proposed to take the costs in all the mills of the country and strike an average and let the average apply to all? Not that I am advocating that plan. Oh, no. It is proposed to take a uniform figure representing all costs of manufacturing and marketing each item or yarn. This figure must be high enough so that it will cover all the costs of the highest cost manufacturer among the manufacturers of at least 90 percent by volume of each

item or yarn. Not the average, but the highest-cost manufacturer. Why? So some manufacturers would be enabled to make profits probably 20 to 30 percent greater than the enormous profits which are now theirs. It would place a premium on inefficiency and modern mills would roll in wealth. Such a scheme is unconscionable. Now let me point out some data as to profits. I read from page 22 of the committee report:

The available figures on mill earnings prove conclusively the unwarranted and inflationary character of the proposed increase. Some industry representatives have suggested doubt about these figures; but they have not come forward with any information which contradicts them, as it is reasonable to believe they would do if the information exists. The firms for which the Office of Price Administration has been able to secure data represent more than one-third of the total production. In 1943 those firms earned an average, before taxes, of 12.5 percent on sales and an average on estimated net worth of no less than 32.9 percent. These earnings compare with an average of 3.5 percent on sales and 4.5 percent on net worth in the peacetime years of 1936 to 1939, which were themselves the most favorable for the industry since the early twenties.

Mr. President, is there any doubt in the mind of any Senator that this formula would be bound to increase the cost of yarns, in fact all textile products?

Aside from that, we have a third factor, the reasonable profit item. Bear in mind that the reasonable profit must be given to the highest cost manufacturers and again the efficient mills will come in for more profits. Mr. President, there is no telling the extent to which the cost of cotton textiles will be increased. And who will pay for that? The dear public. And as for the farmers, they will receive little, if any, benefits.

The Office of Price Administration will be compelled each 60 days to establish manufacturers' costs and ascertain the cost of each item of yarn and allow a reasonable profit. In fixing the cost of the yarn the parity price of cotton for a period of 60 days will have to be taken into consideration.

The manufacturers' cost will have to be fixed on the basis of a uniform figure for each item. And as I indicated a while ago, the figure must be high enough so that it will cover all costs of the highest-cost manufacturers among the manufacturers of at least 90 percent by volume of each item. In addition to all this, a reasonable profit must be added to the high-cost manufacturer that I have indicated, and whatever profit may be given to him, irrespective of what it may be, will have to be passed on to the others forming the group that produce 90 percent by volume of all items.

If such a formula will not increase the cost of textile products of all kinds, then I do not know what I am talking about. I am satisfied that it will increase the cost of all fabrics. That is why, Senators, as I indicated a while ago, with all due respect to the author of this amendment, and to those who are supporting it, the amendment sounds more to me like an amendment for the benefit of the textile industry than an amendment to help the farmers.

Mr. BARKLEY. Will the Senator yield for an inquiry?

Mr. ELLENDER. I yield.

Mr. BARKLEY. The substance of the amendment is that the O. P. A. must fix ceilings on textile goods sufficiently high to reflect parity on cotton, if the parity is to be paid on cotton.

Mr. ELLENDER. The Senator is correct. The parity price of cotton must be taken into consideration.

Mr. BARKLEY. There is no way by which to compel the textile mills to pay parity. There is no formula which would compel it. Nevertheless, the O. P. A. would be required to fix a ceiling high enough to reflect parity if it were paid.

Mr. ELLENDER. That is correct.

Mr. BARKLEY. In other words, the O. P. A. could not fix a ceiling below what would reflect parity if it were paid. Having a higher ceiling, if the textile mills do not pay parity, their profits will automatically be increased beyond what they are at the present time. Is not that statement correct?

Mr. ELLENDER. The Senator is entirely correct and I believe that I demonstrated that proposition a few minutes ago.

Mr. BARKLEY. I do not understand how there can be any provision in the formula, in the Stabilization Act, or any other act, which would compel the industry to pay parity for cotton, because the O. P. A. cannot even consider cotton until it reaches parity itself.

Mr. ELLENDER. That is what I have already stated to the Senate. The Senator from Alabama is on his feet, and may desire to comment on the question.

Mr. BANKHEAD. I wish first to answer the Senator from Kentucky.

Mr. ELLENDER. Yesterday in debate I asked, if the cost formula is to afford parity to farmers for raw cotton, why is it that the prices of goods manufactured from cotton are to be based for 60 days on parity, and after that time on the market value of raw cotton. It strikes me that if it is to be the purpose—as I understand from the Senator from Alabama it is—to give the farmer parity throughout, parity should be reflected at all times and in all price formulas.

Mr. BANKHEAD. Of course, Mr. President, when Senators do not remain and hear explanations, it is necessary from time to time to repeat them. That statement is true particularly with regard to the absence most of the time yesterday of the majority leader. I am sure he had official duties which required his absence. However, a great deal of time was devoted yesterday to answering the very question he propounds today. He says that he does not understand why certain things are true, and I am sure he does not understand. However, the Senator should know by now—at least he will know from now on—that, while there is no law under which the mills can be required to pay parity without fixing by law a specific price on cotton, as has been explained here time and time again, if the mills do not pay parity their ceiling prices will be reduced by an equivalent amount.

Mr. BARKLEY. In other words, they would not receive the increased ceiling which the Senator contemplates, but they would not have their present ceiling reduced.

Mr. BANKHEAD. Yes; they would, because their present ceilings are based on the payment of a parity price for cotton. All the evidence of the O. P. A. showed that to be so.

Mr. BARKLEY. Why does the Senator's amendment require that a new ceiling be placed, as though there were no ceiling already placed on cotton textiles?

Mr. BANKHEAD. The amendment does not so require. It provides that in calculating the cost of production, one item of which must be the payment of parity to the farmers, it will be deemed that parity is being paid. The O. P. A. has stated that to be true. It has said that the mills are supposed now to be paying parity, and its present ceilings are based on the ability to pay parity. With the presumption that they are paying parity, there would be no new requirement except that they pay to the farmer the difference between the current market price and what is now being paid. So far as legal obligations are concerned, and the effect of the O. P. A. ceiling prices, the mills are now deemed to be paying parity. The O. P. A. statement, which I read several times yesterday, states that the mills have ample money and ample margin under the ceiling established in 1942 with which to pay not only full parity to the producers, but in excess of parity. The ceilings were originally established upon the presumption that the mills would pay parity. If the O. P. A. had correctly stated the facts to the Banking and Currency Committee we would not have to add anything to the ceiling in order to accomplish the payment of parity. So the Senator's statement simply befuddles the issue. I do not accuse him of being inconsistent.

Mr. BARKLEY. We thrashed the entire matter out in the Committee on Banking and Currency for weeks.

Mr. BANKHEAD. Yes; and the committee voted for the amendment. The committee seemed to have understood it better than the Senator from Kentucky has understood it.

Mr. BARKLEY. I am not certain whether it was the result of better understanding.

Mr. BANKHEAD. The Senator has referred to thrashing the matter out, and I assume he means that the committee understood it.

Mr. BARKLEY. I believe it is logical to assume that the committee understood it, whether it actually did or not. I would not question the Senator's sincerity with reference to that point. However, what the Senator now is attempting to do is to say to the O. P. A. by his amendment, "While you have fixed the ceiling to justify parity for cotton, purchasers of cotton have not paid parity prices, and therefore by law we compel you to reduce the ceiling on cotton goods unless you raise the price."

Mr. BANKHEAD. That is it exactly.

Mr. BARKLEY. So by law, under the Senator's amendment, we would direct the O. P. A. to reduce ceilings already fixed on cotton textiles.

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. How can we excuse ourselves for not adopting a similar formula for all other manufactured products which are made from cotton?

Mr. BANKHEAD. I do not know of any other agricultural commodity that is not above parity.

Mr. BARKLEY. That may be so now, but there is no way to guarantee that parity will continue either during the war or following the war, and this will be a law until repealed.

Mr. BANKHEAD. That is true, but the escalator clause does not apply to anything except cotton. If the Senator wants to bring in any other commodity that he thinks ought to be brought in he can do so.

Mr. BARKLEY. I am not offering to bring in anything else.

Mr. BANKHEAD. I thought the Senator was complaining that other commodities were not included.

Mr. BARKLEY. I am not complaining because other commodities are not included. I am simply asking how the Senator can justify putting in an escalator clause in regard to cotton without putting in an escalator clause with regard to other items. Other amendments will no doubt be offered dealing even with nonagricultural products.

Mr. ELLENDER. Mr. President, that is what I fear, and that is what I am opposed to, because it will open wide the door, and I know of nothing that will destroy our stabilization program to any greater extent than would this amendment. If we start to show preference for this manufacturer or that manufacturer, all manufacturers will come and ask for similar treatment. Take my own State of Louisiana, a big oil-producing State. It ranks third or fourth in the country in the production of oil. The oil producers are not getting parity for oil. I mean—

Mr. BANKHEAD. What is parity for oil?

Mr. ELLENDER. I do not know off-hand.

Mr. BANKHEAD. The Senator knows that oil has no parity.

Mr. BARKLEY. There are different grades of oil.

Mr. ELLENDER. I am aware of that, but the oil producers are not receiving comparative prices with other industries that are engaged in helping win the war.

Mr. BARKLEY. Let me say to the Senator from Louisiana that the same situation exists in my State, and I have received letters daily for months asking me to vote for an amendment which would fix the price of oil or enable a higher price to be paid for oil.

Mr. ELLENDER. Comparable to the prices other industries are receiving.

Mr. BARKLEY. I am sympathetic with their desire.

Mr. ELLENDER. So am I.

Mr. BARKLEY. Frankly, I feel the increase of 35 cents a barrel recommended by Secretary Ickes might well have been granted. It was represented

that the adoption of such an all-over increase would give many producers prices to which they were not entitled. But if some differentiation could be made as between stripper wells, for instance, and other wells, an increase might be justified. I understand the O. P. A. is now working on that proposition and approaching it in a rather sympathetic way. The difficulty, however, is that if we should put amendments on this bill to satisfy everybody whose request for an increase of prices has been turned down we would make Congress a price-fixing agency, and we might as well abolish the O. P. A. and pass a law saying what should be the prices of everything we buy or sell. We cannot any more do that than we can fix railroad rates. We never have attempted to do that by legislation, even in times of peace. We are dealing, it seems to me, with a war situation where somebody must admit that he has got to take some sort of punishment on the chin, if necessary, in order to effectuate the war effort and the war program, while those who are fighting in order that we may even indulge in legislation here, are putting all they have and all they ever hope to have on the altar of their country.

Mr. ELLENDER. There is no doubt that the most objectionable feature of the amendment is that it places the textile industry in a preferred class. As I have said, the three factors for price fixing assure them a profit on each item or yarn. Some of those profits in many instances, I should say, would be unconscionable.

Mr. MURDOCK and Mr. LUCAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield, and, if so, to whom?

Mr. ELLENDER. I yield first to the Senator from Utah.

Mr. MURDOCK. I think, Mr. President, that we must bear in mind all through the debate that Congress has written into the present law, in the most emphatic language, in my opinion, of which we are capable, that ceiling prices on agricultural commodities must be fixed by O. P. A. at a level which must reflect parity to the producer. That is the present law. Now the O. P. A. say what? They say they have fixed those ceiling prices at a level at which the mills can now well afford to pay parity to the cotton farmers, and, in support of that position, the record is replete with figures that show that if the cotton mills had the right attitude today they could do that and still make a large profit.

Now we are confronted with a proposal so far as cotton is concerned that says what? It says that, regardless of what the mills pay for cotton, during the first 120-day period after the enactment of this act, in fixing ceiling prices—and we admonish the O. P. A. that there must be an adjustment within the first 60-day period—the O. P. A. must deem in the adjustment of prices on cotton textiles that they have paid parity for cotton.

From the argument made yesterday by the Senator from Alabama [Mr. BANKHEAD] and that made by the Senator from Mississippi [Mr. EASTLAND], and I

have never heard more able arguments than they made from their approach to the subject, is there any doubt in any Senator's mind that they both expect an adjustment and a revision upward of prices of cotton textiles? Of course not. Every syllable of their argument indicated—what? It indicated that the present ceiling prices of the O. P. A. were too low. As the junior Senator from Mississippi said, they are shackled under those ceilings and the lid must be taken off. So what did they expect? They expected that within the first 60-day period after this proposed law goes into effect textile prices will be revised upward, regardless of what is paid for cotton, regardless of the price the mills paid for their inventories which are now on hand.

If the Senator from Alabama, as I think it could well be inferred this morning from this statement, takes the position that prices are already high enough on cotton textiles to warrant the mills in paying parity for cotton, then why does he not reverse the language of his amendment and say that if within the 60-day period or the 120-day period the price of cotton does not go up to parity then there shall be a revision downward on the ceiling prices of textiles. Then, we would be doing what? We would be enacting a law for the cotton farmer and not for the textile mill operators. If we tell those gentlemen who are today making such profits as they have never made before in their history since 1919 and 1920 that they must pay parity or there will be a revision downward, then the farmers of cotton would be brought up to parity. But under this amendment just as surely as it is adopted there will be a windfall on inventories that will be unconscionable; there will be a manipulation and a speculation on the markets which in my opinion will not inure to the benefit of the farmer but to the speculative attitude of the textile mills. I thank the Senator from Louisiana for yielding.

Mr. ELLENDER. I was glad to yield to the Senator and I am indebted to him for his contribution. I now yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, I have before me information which is presumed to be authentic which says that if the Bankhead amendment shall be adopted 90 percent in volume of the textile industry will be guaranteed a profit on every item that is manufactured. I should like to know whether that is correct.

Mr. ELLENDER. That is correct as I understand the formula contained in the amendment.

Mr. TAFT. Will the Senator yield?

Mr. LUCAS. I have not the floor.

Mr. ELLENDER. As I understand the manufacturer's costs, that is, factor No. 2, the figure must be high enough to cover all the costs of the highest cost manufacturer, "of at least 90 percent by volume of such item."

Mr. TAFT. Will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. TAFT. The Senator from Alabama has presented, and will offer before

the committee amendment is voted on, an amendment to subdivision 2, which the Senator will find on his desk, which reads in this way, instead of that to which the Senator has referred:

A generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item—

That is a different rule, the Senator will see, "a generally fair and equitable allowance for the total current cost" of manufacturing such item.

Mr. ELLENDER. What is the difference between the pending amendment and the modification of the amendment just quoted by the Senator?

Mr. TAFT. That is in the law now; that does not change anything. We now provide that all processors must get a generally fair and equitable margin. Then the amendment proceeds:

And whenever the Chairman of the War Production Board or the War Food Administrator has determined such item to be necessary for the war effort or the maintenance of the civilian economy—

Then the 90 percent bulk line shall apply. So that instead of being a compulsory 90 percent bulk line, which I myself criticized in the Bankhead amendment, this provides now simply for the processor a generally fair and equitable allowance for the total current cost of the manufacture of the item, unless the Chairman of the War Production Board or the War Food Administrator finds that the item is an item which is necessary for the war effort, one the production of which should be increased, in which case he applies the 90 percent bulk line in order to get the increase in production. As I understand, that is the amendment, and I understand from the Senator from Alabama that that will be offered before the pending amendment is voted on.

Mr. ELLENDER. In my opinion, that will not change the situation, except that the modified amendment may be used to force manufacturers to manufacture certain kinds of textiles. That, in my opinion, without having studied the modified amendment, is its purpose.

Mr. TAFT. The Stabilization Act provides that processors of articles made from agricultural commodities must receive a fair and equitable margin, and this amendment, unless there is some action by the chairman of the War Production Board or the War Food Administrator, provides exactly what is in the present law. So that in effect what this does it to take out the 90-percent bulk line provision, unless the chairman of the War Production Board or the War Food Administrator determines to apply it. So that it is entirely within the option of the administration whether any such 90-percent bulk line need apply.

Mr. ELLENDER. But it will apply to any article which the chairman of the War Production Board or the War Food Administrator may determine to be necessary.

Mr. TAFT. That is correct. But surely the President is able to control, and Mr. Byrnes is able to control, the action of the War Food Administrator and the action of the chairman of the War Production Board, if they consider

their action contrary to the general policy of stabilization. We have only one administration here. These are the gentlemen, however, who are interested in production, and if they say that in order to get production we should apply the 90-percent bulk line, and if that is approved by the President and Mr. Vinson, I do not see how Congress can have any objection to it.

Mr. MAYBANK. Mr. President, will the Senator from Louisiana yield? I wish to ask the Senator from Ohio a question.

Mr. ELLENDER. I yield for that purpose.

Mr. MAYBANK. I wish to ask the Senator from Ohio whether, from what he has just stated as to articles which might be determined to be necessary, it would not be the Senator's belief that it would largely apply to the Army and the Navy, because they are the largest buyers of textiles in most instances.

Mr. TAFT. I think probably that is true of a good many of the commodities which might be affected. In other words, the Bankhead amendment provides that the 90-percent bulkline would be applied to every item of textile goods. The proposed amendment provides that it shall not be applied unless the War Food Administrator applies it to a particular item of textile goods which is necessary for the progress of the war, and of which an increased production is required, in which case, surely, if there is a desire to get increased production, it will be necessary to give 90 percent of the industry some opportunity to have some advantage in manufacturing those goods.

Mr. MAYBANK. Will the Senator from Louisiana yield further?

Mr. ELLENDER. I yield.

Mr. MAYBANK. I have been told by high officials of both the Army and the Navy that they themselves have had trouble in obtaining certain types of work clothes for the Army and the Navy, and I wish to ask the Senator whether it is not his judgment that under the amendment he has just read, that is, the changed amendment, the prices would be subject to renegotiation, as are all Army and Navy contracts and essential contracts in the textile industry.

Mr. TAFT. Of course.

Mr. MAYBANK. Then there could be no huge profit, if the renegotiation law were carried out.

Mr. TAFT. There could be no profit on the Government's business, which is more than half the business, I understand.

Mr. ELLENDER. But the public will have to pay for it, and the Government will get what the public is paying in the renegotiation process. In other words the manufacturer will have to kick back into the Treasury, the huge profits which were made by him because of the high prices that he received for his goods from the public.

Mr. TAFT. Will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. TAFT. The Stabilization Act contains this provision, to which I referred;

Provided further, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

That seems to me exactly the same as the provision of the amended Bankhead amendment, "a generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item."

Mr. ELLENDER. If we stop there, the formula would be more reasonable, but there is a third factor, which is that above that it is necessary to allow a reasonable profit to all manufacturers in the group that manufacture at least 90 percent by volume of all items.

Mr. TAFT. If the 90 percent bulk line is applied; but the amended amendment makes the 90 percent bulk line entirely optional. The Chairman of the War Production Board or the War Food Administrator must say they apply it to a particular product, whereas the original Bankhead amendment applies it by law to all products, a provision to which I also objected. It seems to me the amendment offered meets the objection which is urged by the Senator, and does not establish any new rule, except at the option of the administration.

Mr. ELLENDER. It certainly will work hand in hand with the third factor, which would allow a reasonable profit after the costs of the raw cotton factor and the manufacturers' costs are taken into consideration.

Mr. LUCAS. Will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. The question I asked the Senator from Louisiana brought forth an answer from the Senator from Ohio [Mr. TAFT] to the effect that the Bankhead amendment to the bill, which, as it stands now, guarantees a profit on every article manufactured by 90 percent of the industry, is now to be amended on the floor of the Senate.

I have attempted to follow the arguments and debate on the pending matter, and I am not so sure that I know what the proposed amendment to the Bankhead amendment means. This usually follows when an attempt is made to amend a very important legislative proposal on the floor of the Senate, after a committee has given much study to it. It seems to me this is one of the most important parts or features of the proposal now pending before us, and certainly if the textile industry is to be guaranteed a profit on 90 percent of every item it manufactures, I can readily see that every other industry, whether it is the textile industry, the implement manufacturing industry, or any other industry of the Nation, of any type and kind, is going to come to Congress, and rightfully so, and ask that we guarantee them a profit on the items they produce. I do not know whether the Congress wants to go that far or not.

Mr. ELLENDER. The Senator has placed his finger on the objectionable feature of that bill, as I see it.

Mr. LUCAS. I think I have.

Mr. ELLENDER. I do not see how it can be stopped.

Mr. LUCAS. I want to be fair in this argument. I am the last one in the world who wants to do anything injurious to the textile industry of America, or any other industry that is manufacturing or making instruments of war or any other implements or commodities that go into the civil economy of the Nation at this time. I doubt whether there was any time in history when business, both large and small, was in a better position than it is today. That condition may be artificial due to the war, but nevertheless there are more people in business at this moment and more people making profit, both in large and small businesses in America, than at any other time in our history. Notwithstanding this enviable position an amendment of this kind is brought before us providing guaranties for the textile industry of America. No other industry is involved in the amendment. There are diverse and sundry industries in my State of Illinois which will want to come in on this kind of a guarantee "grab" if that is what the Congress of the United States wants to do, but I do not believe we ought to do it.

I wish to ask a further question with respect to a statement in the article to which I referred, and ask whether the statement is correct. I am informed that the cotton textile industry last year earned profits, after taxes, of 12.5 percent on its total sales.

Mr. ELLENDER. I read that into the RECORD a few moments ago.

Mr. LUCAS. Very well. That compares with 3.5 percent average profit before the war. The article further says:

It has benefited a 58-percent rise in wholesale prices since 1940 by a greatly expanded volume of business.

Mr. President, if that article is true how can it be said that the textile industry of America is suffering at this moment? If it is true how can the Congress of the United States guarantee to this industry a profit, in view of the figures presented of profits earned last year by the textile industry, and not take in every other industry existing in America today?

The textile industry is not a bankrupt institution. It is a going concern making money. It made profits last year of 12.5 percent after taxes, and did the largest business in the history of the textile industry. The same is true with respect to every other industry in this country today.

Mr. President, if these facts are true, and I am assuming they are true, as no one has challenged them, I cannot understand why at this particular time an amendment of this character should be attached to the price-control bill. If we adopt the amendment we will set a precedent for special privilege, and Congress will be flooded from now on with appeals from every other industry in America asking us to do the same thing for them. If Congress does it for one how can Congress deny it for others? I am basing my argument upon the figures representing the profits of the textile industry last year. If these figures

are true, then there are many industries which need more help, in my opinion, than does the textile industry.

Mr. President, as I said before, I am not going to make a special argument against any industry. I want them all to do well, and I maintain and submit that they are doing pretty well in this war period, as is every other industry. Yet it seems that the more some people make, and they are making more than ever in this war period, the more they complain and the more they want. That seems to be the rule of the game—the more you get the more you want. I believe that industry of America and the people of America generally have never been in such good shape economically as they are at this particular moment. Notwithstanding that, we are faced now with an amendment which seeks to get more for certain industries, as I see it. It is class legislation detrimental to the best interests of the great majority. I cannot support the amendment.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CHANDLER. In the time of my good friend, the Senator from Louisiana, I wish to read a letter I have received, and to ask a question of the Senator from Ohio. I have been a strong supporter of the stabilization program and am as anxious as any other Senator to avoid ruinous inflation in the country which would result in the general break-down of the whole plant. But our experience here since we enacted the price-control law should have taught us that some injustices exist under it which ought to be corrected. I cannot bring myself to the conclusion that because some of our men are suffering and dying away from home we should inflict unusual and inhuman punishment on those whom they left at home. I do not like the idea which is expressed by the O. P. A. when they bring a bill to Congress that we must take it as it is and cannot change its provisions. I cannot believe that the little inoffensive amendment the Senate adopted the other day giving an individual the right to defend himself in court will injure the whole program. If it takes so little to destroy our stabilization program and bring inflation in the country we are indeed in bad shape.

Mr. President, I am particularly interested in an amendment which is going to be offered by my friend the Senator from Oklahoma [Mr. THOMAS] with respect to crude oil, and I asked the Petroleum Administrator for War what the situation was. I received an answer from the Acting Director of Production, Mr. Ralph J. Schilthuis, in which he wrote:

The importance of higher crude oil prices as a means of increasing our oil supplies for military, industrial, and civilian needs—

That is what my friend the Senator from Ohio had reference to with respect to the things which are necessary for military purposes—

has long been recognized by the Petroleum Administration. In April 1943, after an exhaustive analysis of the problem, P. A. W. formally recommended to the Office of Price

Administration an upward adjustment of crude oil price ceilings averaging 35 cents per barrel. This recommendation was turned down by O. P. A. on May 1. On June 10 we renewed our recommendation, only to have it again rejected by O. P. A. on August 7. We then appealed the matter to Judge Vinson, Director of the Office of Economic Stabilization. In a decision on October 29, 1943, Judge Vinson upheld the O. P. A. position, and stated that there could be no general increase in crude-oil prices.

Mr. President, I understand that the present price for crude oil is 64 percent of parity. If we need more oil, and everyone admits that we do, and if those who must produce oil for the country's needs say the price should be raised, and they have said it again and again, and then the O. P. A. turns them down, after which the Director of Economic Stabilization turns them down, then I do not understand the argument that the industry should not come to Congress and ask for relief, when an injustice is being done which results in a hurt to the war effort.

If some Senator can explain that situation to me I wish he would.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. With respect to the question of amendments, and the question of the relation between the cotton amendment and the oil amendment, I have felt throughout that Congress ought not to increase the price of a product by law. It may be that the administration is wrong. We have heard the representatives of the oil industry. We heard Mr. Brown present a very convincing case. He was answered by Mr. Vinson. Personally if I had to decide the case I would say Mr. Brown was right. But I did not think it was an overwhelmingly convincing argument, and I do not feel that Congress ought to increase the price of any article deliberately by action of law.

The question involved in textiles does not seem to me to be one relative to an increase in price, or at least not a net increase in price.

I approve of this amendment because it attempts to change the whole method by which the administration has been applying the price policy to cotton goods. I think that whole method is wrong. I think it is out of accord with the present law. I think, therefore, that it is a matter with which we may properly deal.

I am perfectly convinced that if the method proposed by the Senator from Alabama is adopted, and if the Office of Price Administration accepts that method of fixing prices, the net result to the consumer of cotton goods will be a lower price rather than a higher one. That is the reason why I am willing to go along with the cotton amendment, and I am not willing to go along with any direct increase in price on any article.

Mr. CHANDLER. Mr. President, let me ask my friend a question in that connection.

Mr. TAFT. In just a moment.

First, let me say that in connection with the cotton business, the Director of Economic Stabilization has applied a

brand new theory. He goes further than the 90 percent bulk line in some ways. He says regarding the directive relating to cotton goods—I quote from his letter of February 4:

There has also been some misunderstanding as to other provisions. The directive states that, in cases where a uniform increase in price to all producers must be made, the increase to be permitted shall not exceed an amount sufficient to make the maximum price equal to the total unit cost of the highest cost producer whose production is deemed essential. I wish to emphasize that this method and standard of price increase is to be used only as a last resort when the other methods set forth in the directive are impossible. Indeed, I shall hesitate to let it be used at all.

In other words, he practically says that under no circumstances will he authorize a general increase in the cost of any cotton goods. Then he goes on, and says that he will make individual adjustments for individual mills—which, after all, Mr. President, is going back to a profit-control basis, rather than to a price-control basis.

When he makes those adjustments, he says that the producer whose current profits from all operations are less than double those earned in the 1936-39 period, or who is operating at a loss, may sell at not to exceed the total unit production cost, plus a profit not to exceed 2 percent. In other words, there is a 2 percent turn-over which is utterly inadequate to enable the mill to run. He goes on to say that for a producer who had more than twice his 1936-39 profits, producers with exceptionally high profits will be required to produce the goods at cost.

In another order, cost is defined as simply the actual out-of-pocket expense, without any overhead at all.

So he is saying to the cotton-goods industry, "I will not increase the price of cotton goods. I will make individual adjustments for low-cost mills, but I will still require them to sell the goods at a loss."

I think that is utterly illogical. I think it is utterly opposed to the principle of the Price Control Act. I think the Bankhead amendment is a better method of pricing cotton goods. I say that in decreasing the price of low-cost goods we can decrease the cost of the goods on the basis of the profits that are made, so that the profits will be less.

Mr. ELLENDER. Mr. President, why could not he do it under the law as it now stands? The Bankhead amendment is not required in order to do that. It can be done under the law as it now stands.

Mr. TAFT. It can be, except for the fact that Mr. Vinson is a very stubborn gentleman, and does not desire to change it unless Congress makes him change it.

Mr. ELLENDER. I presented a resolution before the Senate which was referred to the Committee on Agriculture and Forestry providing for an investigation of the cotton-textile industry. So far as I am concerned, I am willing to stay here all summer, if that is necessary, in order to have that investigation made.

Mr. TAFT. I am sorry, Mr. President, that I cannot agree with the Senator to stay here all summer.

Mr. ELLENDER. I believe something can be accomplished by investigating the textile industry, prices received by them in relation to what they pay for raw cotton. I believe by bringing those gentlemen before us and having them tell us the whole story, and then letting the public know about it, something can be accomplished.

Mr. TAFT. But, Mr. President, we have had 4 weeks of hearings. We have had most of those gentlemen before us. We have heard from both sides. The Senator from Louisiana is not a member of the Committee on Banking and Currency; but the committee has heard various persons on this subject.

Mr. ELLENDER. The committee did not hear the textile representatives, did it?

Mr. TAFT. Certainly we heard the textile representatives.

Mr. ELLENDER. Did the committee hear from those who do the manufacturing, rather than from those in the O. P. A.?

Mr. TAFT. Yes; we heard them. Mr. Murchison represented one group of cotton mills.

I think the mills are making too much profit. Whose fault is that? It cannot be the fault of anyone else except the O. P. A., as far as I can understand.

But that does not mean that the textile industry is just one industry. It is a whole group of industries, making various kinds of goods. The O. P. A. has permitted them to make big profits on some types of goods, and has held them down to less than cost on other types of goods. What happens? We do not get any cheap goods, or at the most we get only a limited amount of them. In the branches of the industry such as the heavy underwear industry, to which I referred, the cost is held down to such an extent that it is impossible for those mills to continue in business. If a person attempts to buy a unionsuit in any store today he will be unable to find one, because the practice which has been pursued has catered to the low-income groups, naturally, by saying, "We have not increased by 1 cent the price of the low-cost goods."

I think the pricing of cotton goods has been the biggest failure of the O. P. A., and I think the Congress is justified in saying to the O. P. A.: "You must pursue a different method, and here is the method."

I deny that there is anything in the Bankhead method which can in any way increase the over-all profits which have been referred to by the Senator from Illinois. In fact, if it is properly applied, it should reduce those profits very considerably.

Mr. ELLENDER. Mr. President, I believe it would be an easy matter to bring before the Senate or before any committee of the Senate many complaints to show that the Office of Price Administration has made many mistakes in issuing and administering many of its rules and regulations. For instance, with respect to agriculture, in relation to placing a ceiling price on rough rice or strawberries, and the like, many mistakes have been made. Mr. President, if we ever open the doors, we shall be

haunted for a long time. There is no telling where the rainbow of investigations will end.

Mr. CHANDLER. Mr. President, will my friend permit me to return to a discussion of the oil business for a moment?

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. ELLENDER. I yield for that purpose. Then I should like to complete my remarks, if I can, although most of the points I had in mind have been argued very well, and I am practically ready to conclude my presentation.

Mr. CHANDLER. Mr. President, this question is not one of profits. It is a question of a commodity on which someone should have the right to raise the ceilings, if it is clearly shown that the ceiling price is 64 percent of the parity price.

How would we go about getting simple justice? The question is not one of profits. The question is one of letting people live, and at the same time supporting the war effort.

I have read the statement which has been referred to. I should like the Senator from Ohio to comment on it for me. But first I wish to relate an experience we had with strawberries.

I intend to support the amendment offered by the Senator from Tennessee. The O. P. A. did not put any ceiling at all on strawberries until about the time they were ready for sale in Tennessee and Kentucky. Then the O. P. A. suddenly put a ceiling of \$7.80 on strawberries, and indicated that if anyone "broke the line" on strawberries, it would be possible to bring on inflation by the sale of 100 carloads of strawberries. Of course, I do not believe that; and, so far, no one has been able to convince me that that was so important in connection with the economy of the country, namely, that it would be possible for the sale of 100 carloads of strawberries to break the economy of the country. But the O. P. A. set the ceiling, after having no hearings in Louisiana or in the other parts of the country. In Louisiana the strawberries were sold without a ceiling.

Mr. ELLENDER. Oh, no; only approximately 50 percent of them were sold without a ceiling.

I wish to say in that connection that I have objected, ever since the O. P. A. has been in existence, to having the O. P. A. place a ceiling on a crop which is in the midst of harvest. The O. P. A. should act before the crop is planted so that the farmer will know in advance what he can expect by way of prices.

I have contended quite a great deal that that should be done, but thus far the O. P. A. has not listened to me. I think that such a procedure has caused a great deal of trouble and, I would say, just criticism.

Mr. CHANDLER. Very well, Mr. President. Let me say that I will support the amendment offered by the Senator from Tennessee, so that an unfair price cannot be set for persons who grow a small amount of perishable food and vegetables in one section of the country, and at the same time permit the growers in another section of the country to disregard that price, all under the plea and the statement that if any other

course is pursued the result will be to bring on inflation in the country.

On the basis of my understanding of the statement made a while ago by my friend, the Senator from Ohio, I wish to ask a question. If it is shown that these things are necessary for the war effort, and if it is definitely shown that the prices are away below the parity price, what is the method which we shall use to correct injustices, if the O. P. A. will not correct them and if the Office of the Administrator of Economic Stabilization will not correct them? Who is going to do it, and what is my justification or excuse for not supporting something which will correct a manifest injustice, even though I vote for an amendment to this bill?

Mr. TAFT. Mr. President, let me say that I feel very strongly that the main problems of price administration are administrative ones, and that we cannot go into the question of fixing detailed prices on goods, any more than we can go into the question of fixing railroad rates for the Interstate Commerce Commission. That would seem to me to be a hopeless job.

I think we are concerned with the fundamental principles of price control. That is why I went along with the Senator from Alabama on the amendment. That is why, it seems to me, the chief feature of the amendment of the Senator from Alabama is that it says that each product must be handled on its own feet, but that the O. P. A. cannot say to a man, "Because you are making a profit on this article, you must sell the other one at a loss."

That is the chief feature of the amendment of the Senator from Alabama. That seems to me to be a fundamental question, which is not clearly stated in the act. I think the act requires each one to stand on its own feet, but I am not convinced of that. On the question of principle, I was willing to go along with an amendment, but if we begin to exempt this and that, and increase the price of this and that, there is no limit to what the Congress may do. We might spend the entire year correcting injustices.

After all, the main question as to whether the price itself is right or wrong is an administrative question. It is a question for which the Price Administration has the responsibility. It is to blame if the determination is wrong. Its judgment is perhaps just as likely to be good as our judgment. I do not know. I believe that in many cases its judgment is radically wrong.

A little later today I shall point out the tremendous mistakes which I think have been made in the administration, but which I think are matters purely of administration, in which Congress should not interfere. That is my feeling.

Mr. CHANDLER. Would the amendment of the Senator from Alabama correct the trouble?

Mr. TAFT. The amendment of the Senator from Alabama lays down the fundamental principle that no article or goods shall be sold at a loss and that a reasonable margin should be applied to each character of goods manufactured by a manufacturer. I only regret that

we are not applying the same principle to all industries, because I think it ought to be applied to all industries. But that is not a question of administration. That is a question of the fundamental pricing principle of the Price Control Act.

Mr. ELLENDER. Would the Senator apply the same principle to the canning industry? As he knows, many articles are canned by some of the large canning interests of the country at a loss, and they make huge profits on others.

Mr. TAFT. They should not make huge profits on others.

Mr. ELLENDER. That may be true, but the same principle would apply to them as applies to the cotton textile industry.

Mr. TAFT. Suppose we were to say to the entire canning industry, "There is a big profit on tomatoes; therefore you must can peas at a loss." There may be a dozen plants which can nothing but peas. What situation are they in? They are out of business. The whole principle of trying to take over-all profits as a guide to a margin for particular products is wrong. The way the situation should be controlled is to cut down the margin on the goods on which there is too much margin today. That is a feasible principle. That is what I think should be done in price control.

Mr. ELLENDER. The Senator has argued eloquently to demonstrate that if we open the door to one industry, many more manufacturers will ask for the same treatment proposed to be accorded the textile industry and I see no reason why we should not treat them all similarly.

Mr. TAFT. With the exception of the 90-percent bulk line, I should have no objection to that. Otherwise the Bankhead amendment states the principle which should apply to all manufacturing industries.

It does one other thing. There is a peculiar situation with respect to cotton. Cotton sells below parity, while all other products are selling at parity or above. So we have the difficulty of the limitation on agricultural prices, and we are trying to conform the law to that limitation.

Mr. ELLENDER. The item of cost of raw cotton in connection with cotton goods is infinitesimal and its payment would not place a burden on the textile industry. The textile industry will continue to do the same thing it has done for years, as was illustrated yesterday by the Senator from Mississippi [Mr. EASTLAND], that is, pay as cheaply as it can for raw cotton. He pointed out that 1 pound of cotton will make 4 yards of cloth, which is sold for \$2.76 in New York. The farmer received 20 cents of that \$2.76. Under the terms of the Bankhead amendment, according to Senator EASTLAND's version thereof, he would receive 21 cents, or 1 cent more. Is it reasonable for us to argue that that 1 cent increase would be such a big item in the cost of the textile industry and thereby prevent it from paying the farmer the additional cent, when we consider the enormous profit that is made on 1 pound of raw cotton?

Mr. TAFT. I believe that the Price Control Act intends that prices shall not

be fixed on a product until the product has reached parity. The Administration has insisted on going ahead and fixing prices, which is all right; but if so, we must put in the escalator clause in order not to allow too great profits. My own interest is far more in the processing than in the 1 cent to the cotton farmer. No doubt the Senator from Alabama has a different feeling about that; but I am interested in trying to correct the present cotton-goods situation in the United States, and in forcing the Price Administration away from a theory of price control which I think will lead only to profit control in the end, which I think is unsound, and which, if it were continued, would absolutely prevent the production which is necessary.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. RADCLIFFE. Am I to understand that the Senator from Ohio will later amplify his statement that he regards what is apparently an exception as not an exception? He has stated very eloquently and forcibly the dangers of opening the doors wide so that any particular industry may show that some special amendment must be adopted for its particular benefit. The Senator from Ohio realizes the danger involved in that situation, and therefore he is opposed to any such general policy; but I understood him to say that he regarded the cotton situation as being an exception. What he has said thus far has been interesting to me, but it certainly has not been convincing. The only reason I rise now is to ask whether or not the Senator from Ohio will discuss the question further this afternoon. If so, I should like to hear him amplify his statement and give the reasons why he thinks this apparent exception is not an exception.

Mr. TAFT. I thought I stated as clearly as I could that I think this amendment involves a basic principle of pricing. I have an amendment on the table which I may not offer. It applies to all industry, and applies, to a certain extent, a part of the principle of the Bankhead amendment to all industry, requiring each article to stand on its own feet, subject to certain exceptions. But I do not think that it is an administrative question.

In this field I believe that price administration has departed from the basic principles of pricing, which I think are at least within the spirit of the Price Control Act, but which are perhaps not so clearly defined that the cotton industry could take its case to court and obtain a favorable decision.

I see no objection to defining now what we think the pricing policy should be. What is that policy? I can see nothing particularly revolutionary in the Bankhead amendment. It provides that each processor shall have a generally fair and equitable margin. The word "generally" means that it does not have to apply to everyone. It must apply to the industry as a whole. The margin must be generally fair and equitable as a whole. That provision is now in the act. The 90-percent bulk line may or may not be right.

Frankly, I do not know enough about the cotton industry to judge whether it is right or not; but the 90 percent bulk line in this amendment is entirely optional, and can be put in only if the administration wants to put it in.

Mr. RADCLIFFE. The 90-percent provision would remain in the modified amendment.

Mr. TAFT. Only if the administration should choose to apply the 90-percent rule in order to obtain additional production. If we wish to obtain additional production, we had better not have more than 10 percent of an industry producing at a loss.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MOORE. I wish to say to the Senator from Ohio that I think he is guilty of an inconsistency when he says that he is opposed generally to legislating prices. I could agree to that principle very definitely. But we have the Price Administration. We have enacted a price-control law and turned price control over to an administration which has been proved to be both dishonest and inefficient. Discriminations have been imposed against industries to the point of destroying them. I agree with the Senator from Kentucky [Mr. CHANDLER] that the oil industry has been subjected to a price which is destructive of it. The administrative agencies, as well as the committees of both Houses of Congress, have conclusive proof that the price which is imposed on the oil industry is destructive of a large segment of that industry.

We are to keep the Office of Price Administration, which I think in itself is a fake, and has not at all prevented inflation. Its efforts have been conducive to inflation, to black markets, and to law violations. It has singled out for total destruction certain industries, including the oil industry. Therefore I see no reason why the Senator from Ohio should refuse to accept the amendment offered by the Senator from Oklahoma [Mr. THOMAS] if he is supporting the amendment offered by the Senator from Alabama [Mr. BANKHEAD], because both have the same purpose. If overalls and workshirts are manufactured at a loss, and the Congress can fix a ceiling upon the prices of such articles which will prevent the destruction of that industry, why can it not also prevent the destruction of the oil industry? If there is any difference between the cotton textile industry and the oil industry in that respect, I am unable to see it.

Mr. TAFT. I believe that the distinction is very clear. Oil is oil. A protest may be filed with the Office of Price Administration. We have provided the method by which it may be filed. The Office of Price Administration then makes a decision. An appeal may thereafter be taken from the decision to the Emergency Court of Appeals. Of course, the Emergency Court of Appeals could not afford any relief unless it found the action of the Office of Price Administration to have been arbitrary and unreasonable. If it should so find, it could afford relief. We have provided such procedure for everyone.

No question has been raised in the oil industry with reference to individual products. No effort has been made in the industry to say that one must sell a particular article at a loss because he is making a profit on something else. There has been no effort to apply the extreme, which I think would be wholly unsound, and which would be prevented by the Bankhead amendment. I believe the two questions are entirely different. I believe that one is an administrative question and the other is a legislative question. That is the distinction which I drew in the committee, and which I have tried to draw here in the Senate.

Mr. ELLENDER. Mr. President, I am very glad to yield to any of my colleagues in discussing this very important amendment. I had prepared a synopsis of the speech which I had intended to deliver, but so much of the matter which I intended to present to the Senate through my speech has been brought out in questions which have been asked that I shall not delay the Senate very much longer.

I believe that my position on the stabilization program is well known to my colleagues. I have taken issue many times with some of my good friends and colleagues, and I believe that the Record will show that I was one of a few who opposed Senate Resolution No. 91, which sought to increase the pay of nonoperating railroad employees. My reason for doing so was that I felt it would break the Little Steel formula. I thought that it would cause employees in other industries to make similar demands to those which had been made by the fine class of workers to whom I have referred.

Today it is not very popular to oppose demands made by farmers. However, I am confident that the amendment would operate adversely to their interests. Its adoption would be definitely and unequivocally detrimental to their interests. I have been a close friend to the farmers of my State in particular and to those of the Nation in general. I am certain that my record in the Senate will bear me out. Aside from that, I am a farmer myself.

I am confident that this amendment is more in aid of the textile industry, as I have just indicated, than it is of helping the farmer.

I shall ask the indulgence of Senators to listen to me read from the Times-Picayune, a newspaper published in my State in its issue of June 5, 1944:

The cotton market held gains of 6 to 9 points net on active futures last week but this was only after prices had reached into new high ground for the season Wednesday and Thursday. The spot average reached up to 21.30 on Wednesday, a new high, and which compared with 21.28 cents the previous high set March 21. But quotations eased sluggishly toward the end of the period and the spot price for the 10 markets closed at 21.18 cents, up 5 points on the week but off 12 points from the Wednesday high.

Probably the immediate cause of the mid-week price spurt which followed the Memorial Day holiday Tuesday was the hopes in some quarters for price boosting legislation to come out of Washington. The high point in this thinking came with the adoption by the Senate Banking and Currency Committee of the Bankhead amendments to include the so-called escalator plan to allow

mills to pay parity prices for cotton and still make a fair profit—

"A fair profit," I repeat—

and an amendment to raise the loan rate from 90 to 95 percent of parity. The vote had been larger than expected, but doubts still prevail as to the ultimate success of the amendment and prices eased shortly after the news was out. These doubts seemed to be confirmed in the Friday action of the House committee in rejecting the price-boosting plans. At the weekend not many traders here felt confident that any measurable price-raising legislation would get through this sitting of Congress. If any confidence existed it was that possibly the administration might accept a 95 percent of parity loan.

Mr. President, when anybody argues that this amendment will not raise the price of textiles and will not help the textile manufacturers, I am wondering what prompted the article I have just read; I am wondering what prompted the spurt in the cotton market.

I feel confident that the Bankhead amendment will not give the Price Administrator any greater power than he now has to force the textile industry to pay parity to the cotton farmers. If there is a rise in price for raw cotton through this amendment, it will be gobbled up by the higher prices the farmers will have to pay for the finished products they must buy to clothe themselves and their families.

Not only that, Senators, but, as I have indicated, this amendment is but the opening wedge to the demand of many other industries that feel themselves as much hurt by O. P. A. as the textile industry. I wish to say that if, perchance, the Bankhead amendment is adopted, then I shall feel perfectly justified in voting for any other amendment designed to help other industries, because I do not believe it is fair or square to industry as a whole to select the textile industry and assure them of a formula that will give them profits on each item produced far in excess of the huge amounts now being made by them.

Mr. President, as I have said on many occasions, I believe that after this war is over the Price Control Act, badly as it has been administered from its inception and until the time it was taken over by Mr. Bowles, will be hailed as the most effective method of sustaining our war economy and of increasing our industrial and agricultural production that could have been devised.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the committee amendment. On this question the yeas and nays have been ordered.

Mr. WAGNER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Burton	Clark, Mo.
Austin	Bushfield	Connally
Ball	Butler	Cordon
Bankhead	Byrd	Danaher
Barkley	Capper	Davis
Bilbo	Caraway	Downey
Brewster	Chandler	Eastland
Bridges	Chavez	Ellender

Ferguson	Maloney	Thomas, Idaho
George	Maybank	Thomas, Okla.
Gerry	Mead	Thomas, Utah
Gillette	Millikin	Tobey
Guffey	Moore	Truman
Gurney	Murdock	Tunnell
Hatch	Murray	Vandenberg
Hawkes	Nye	Wagner
Hill	O'Daniel	Wallgren
Holman	Overton	Walsh, Mass.
Jackson	Radcliffe	Walsh, N. J.
Johnson, Colo.	Reed	Weeks
Kilgore	Reynolds	Wheeler
La Follette	Robertson	Wherry
Lucas	Russell	White
McClellan	Shipstead	Wiley
McFarland	Stewart	Willis
McKellar	Taft	Wilson

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House further insisted upon its disagreement to the amendments of the Senate Nos. 1, 2, 3, 4, 6, 8, 14, 29, 30, 35, 52, 54, 55, 56, 57, 64, 65, 66, and 67 to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOODRUM of Virginia, Mr. FITZPATRICK, Mr. STARNES of Alabama, Mr. HENDRICKS, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE were appointed managers on the part of the House at the conference.

The message also announced that the House further insisted upon its disagreement to the amendments of the Senate Nos. 10, 12, and 13 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RABAUT, Mr. KERR, Mr. HARE, Mr. O'BRIEN of Illinois, Mr. CARTER, Mr. STEFAN, and Mr. JONES were appointed manager on the part of the House at the conference.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

Mr. BANKHEAD. Mr. President, I have three amendments which have been presented and printed, and I wish to offer them. They are amendments to the cotton textile section, and I desire to have them acted on before the main amendment is acted on.

The PRESIDING OFFICER. The clerk will state the first amendment to the committee amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 12, it is pro-

posed to strike out clause (2), beginning with the figure "(2)" in line 6 and ending with the word "item" in line 11, and in lieu thereof insert the following:

(2) a generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item, and whenever the Chairman of the War Production Board or the War Food Administrator has determined such item to be necessary for the war effort or the maintenance of the civilian economy, such allowance shall be computed at a uniform figure that will cover such total current costs in the case of any manufacturer or processor among the manufacturers or processors of at least 90 percent by volume of such item.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama to the amendment of the committee.

Mr. MALONEY. Mr. President, as was said a few minutes ago by the able Senator from Louisiana [Mr. ELLENDER], the proposal before the Senate has been pretty thoroughly discussed during the past few days. I am about to offer a substitute for the so-called Bankhead amendment. Before doing so I should like to join with those who have expressed the feeling that if we yield to the proposal of the Senator from Alabama, stabilization will be wrecked, and the stage set for all ravages of inflation.

I should like briefly to remind my colleagues that opposition to the amendment now pending comes very forcefully from the Office of Price Administration, from the office of the Economic Stabilization Director, the President of the United States, and in tremendous volume from the people of the country. I see in the adoption of the amendment, as so many others have seen, a letting down of the bars, a breaking of the line, a complete destruction of the barrier against runaway prices and wages. The amendment singles out an industry which is in some respect in trouble and proposes to grant it special favors. In my judgment, the problem is largely due to a shortage of manpower. The wages in this industry have been pitifully low, and manpower is not attracted by distressingly low wages.

I cannot see how the Bankhead amendment would aid the cotton farmer one little bit. I join with those who express the feeling that it would result in a bountiful harvest for those engaged in the textile industry. I am entirely hostile to the views of those who ridicule the singling out of an individual for special attention. I am entirely hostile to the suggestion that we would take 90 percent of this particular industry, or any industry, and raise the prices for all of them regardless of what the profit situation might be in individual cases.

The Bankhead proposal is not a complicated amendment. It seems very clear to me. I think I understand the purposes of those behind the amendment and the noble aims of those who sponsor it here. I want to aid the cotton farmer. I want to provide low-cost clothing, and with that purpose in mind I send to the desk and ask that it be read a proposed substitute for the amendment offered by

the able Senator from Alabama [Mr. BANKHEAD].

The PRESIDING OFFICER. For the information of the Senate the clerk will read the amendment offered by the Senator from Connecticut in the nature of a substitute for the committee amendment.

The LEGISLATIVE CLERK. In lieu of the committee amendment it is proposed to insert a new section 201, as follows:

SEC. 201. The Stabilization Act of October 2, 1942, is amended by inserting after section 3 the following new section 3 (a):

"(a) The Economic Stabilization Director is authorized and directed to coordinate the activities of all the departments and agencies of the Government concerned with the production and distribution of essential textiles, apparel, and other textile products in effectuating a comprehensive national policy to increase the supply and improve the quality of such essential products to the maximum extent consistent with the effective prosecution of the war and the stabilization of the cost of living. Special emphasis shall be given in the policy to the production and distribution of low-cost children's clothing, work clothing, and other low-cost staple textile products.

"(b) Every agency of the Government concerned, directly or indirectly, with the production or distribution of such essential textiles, apparel or other textile products is directed, in cooperation with the Director and with each other, to utilize its full legal authority to put the policy promptly into effect. So far as each may be authorized by law and to the fullest extent necessary to effectuate the policy, it shall be the specific duty and responsibility—

"(1) of the War Production Board to develop adequate production and distribution programs and to take appropriate action to direct production, to grant priorities, and to control the distribution of facilities, raw materials, and processed commodities so that, as far as practicable without interference with other needs of the war and the defense program, essential textiles, apparel, and other textile products (as designated by the War Production Board in an extent sufficient to effectuate the policy) shall be produced and distributed in the proportions by price lines and in the qualities (especially durability) in which they were produced and distributed in an appropriate base period to be designated by the Economic Stabilization Director;

"(2) of the War Manpower Commission to take such action as may be appropriate to avoid shortages of manpower required by the program;

"(3) of the Smaller War Plants Corporation to take such action as will enable small business concerns to participate to the fullest extent practicable in the program; and

"(4) of the Office of Price Administration (1) to establish, as far as may be practicable, dollar-and-cents maximum retail prices for the items designated by the War Production Board, utilizing, where appropriate, minimum specifications established by or in cooperation with the War Production Board and (2) to take such action as may be necessary to remove price impediments to the production or distribution of commodities required by the program, including increases in maximum prices where no practicable alternative exists to carry out the purposes of this section and including reductions in maximum prices either to offset such increases or to prevent diversion from production or distribution of commodities required by the program.

"(c) From time to time, the Director shall transmit to the Congress a report of operations under this section. If the Senate or the House of Representatives is not in ses-

sion, such report shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be."

Mr. MALONEY. Mr. President, I do not suppose there are individuals anywhere more interested in the success of this program than the President of the United States, the Economic Stabilization Director, and the head of the Office of Price Administration, unless it be the distressed consumer. Before we undertake to vote on the proposed substitute I should like to say that the amendment was drafted under the guidance of the Office of Price Administration, that it has the approval of the Economic Stabilization Director, that it has the approval of Donald Nelson of the War Production Board, that it comes largely out of the intense efforts and interests of such organizations as the American Association of University Women, the American Home Economics Association, the directors of the National Consumers' League, the National Congress of Parents and Teachers, the National Education Association, and the national board of the Y. M. C. A. It has, of course, the approval and the support of countless other organizations. I cannot think of where there would be opposition to the proposal. I should imagine that it would have unanimous support. Its language is simple. It speaks for itself.

Before the Senate votes upon the proposed substitute I should like to point out that for some time past the War Production Board has been giving attention to this particular subject, to this particular problem of the sore need for a greater supply of lower-cost clothing. The adoption of the substitute will force or strengthen the hands of the War Production Board. It will give impetus to all those governmental agencies which are so much interested in the subject. It will be helpful to the Office of Price Administration, and extremely helpful to the American people.

Mr. President, I think it will be very helpful to the American cotton farmer. It will stimulate the production of these so sorely needed materials and articles. There is a crying demand for low-cost work clothing, and other clothing. It is not being purchased because it is not on the shelves. The adoption of the substitute amendment will accelerate the production of such clothing. Under the priority and allocation powers of the War Production Board that agency can direct the manufacture of these so sorely needed articles. The Office of War Manpower can make a great contribution if directed under some such language as I here offer. The directions contained in it to the Office of Price Administration are clear. In my judgment, Mr. President, the adoption of the so-called Bankhead amendment, offered in all sincerity by a conscientious and able and good Senator, will destroy the attempt to do what he would do and what we would do, but if there is a way to correct the situation pointed to in these last few days, and to provide these things which are so sorely needed by the American consumer, I think that this is the way, and I urge my colleagues to accept my amendment in lieu of and in substitution for the so-called Bankhead amendment.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. GERRY. I always listen with a great deal of interest and pay a great deal of attention to any amendment offered by the senior Senator from Connecticut, but I wish to ask him whether the substitute amendment was submitted to the committee.

Mr. MALONEY. No; the amendment was not submitted to the committee.

Mr. GERRY. Is it printed?

Mr. MALONEY. An amendment almost identical in language was printed several days ago. I had not submitted the earlier amendment to the Office of Price Administration. As the result of its printing the Office of Price Administration volunteered to find what they had supposed was and which I agree is much better language. It has, in substance, been before the Senate for a period of several days. I know that it has the hearty approval of the chairman of the committee, and I suppose that no member of the committee would object to it, although there are some members of the committee who would obviously prefer the Bankhead amendment.

Mr. GERRY. I thank the Senator.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Vermont?

Mr. MALONEY. I yield.

Mr. AIKEN. It is very difficult to remember everything contained in the Senator's substitute amendment, as it was read, but as I listened to the reading of it I wondered what was authorized in the amendment that the War Production Board and the Office of Price Administration and the War Manpower Commission do not already have full authority to do. I know they have been working together on some programs to increase production, and that the O. P. A. has agreed to an increase in the price, which was necessary. I am wondering what the Senator's amendment would authorize them to do, which they do not already have full authorization to do.

Mr. MALONEY. Very little, if any, additional power is provided by the amendment. The direction is here. The Congress, by the adoption of the amendment, would set forth its views clearly on what it wants these agencies to do. It would call upon every interested agency of government to contribute toward the solution of a most aggravating situation. It would tell them that Congress feels they might go further toward the correction of a lamentable condition. I think the Senator's suggestion is correct, namely, that no actual additional powers are provided by the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama to the committee amendment.

Mr. MURDOCK. Mr. President, I wish to say a few words on the Bankhead amendment, and particularly on the amendment just offered, before it goes to a vote.

I wish to preface my remarks by saying that we passed the Price Control Act

very shortly after Pearl Harbor. At that time the whole Nation was, in my opinion, more united than it had been for months, or than it has been since. At that time we knew we were getting into very serious difficulties. We knew then that a great part of our Navy had been sunk. We knew that thousands of American lives had been lost as a result of the sneak attack on Pearl Harbor. We had every reason at that time to be a united nation, united for the purpose of enacting in Congress measures conducive to the adoption of a successful war program and to the earliest possible conclusion of the war.

Today I ask the question whether the situation now confronting the United States of America is any less serious than the situation was immediately after Pearl Harbor? I ask the question whether, in the opinion of Senators, we have not lost more American lives in Italy and now in France in the last week or so than were lost at Pearl Harbor? I ask whether there is now any reason for relaxing the Price Control Act?

It is evident, Mr. President, from what has already happened, that today the Senate does not take the position it took when it passed the Price Control Act. It is evident that now we are ready to weaken the act, to consider specific and individual cases, and to consider sections of the country, rather than the country as a whole. In my opinion, we can ill afford to do that at this time. I wish to predict that if the Congress weakens to any material extent the Price Control Act and the Stabilization Act, Congress will find itself supervising and superintending inflation, rather than controlling prices.

Coming now to the Bankhead amendment as originally reported to the Senate, let us consider what it would do. It would say to the Office of Price Administration, first, that in fixing ceiling prices on cotton textiles it should be deemed that the parity price had been paid for the cotton. Regardless of what price had been paid, the O. P. A. would have to consider that the parity price had been paid.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. MURDOCK. I yield.

Mr. TAFT. That is the provision in the present Price Control Act. What the Bankhead amendment would do would be to modify it, and to say that if the parity price for cotton had not been paid, the price of the manufactured article should be reduced later on. But the present Price Control Act provides that the price must be fixed on a basis which will reflect the payment of the parity price to the producer.

Mr. MURDOCK. Yes; and I have emphasized that point every time I have spoken on this question. I have emphasized the point that the present law does say that, and that it says it in the most emphatic language which Congress possibly could write into the law. It says that all ceiling prices on agricultural commodities must be fixed high enough to reflect the payment of the parity price to the agricultural producer. The

O. P. A. tells us that the prices on textile products now are sufficiently high to do that very thing. But the Bankhead amendment departs from the language of the present act, and says to the O. P. A. that, regardless of whether the parity price has been paid for cotton, the O. P. A. must deem that it has been paid.

The next factor involved is the manufacturing costs. The pending Bankhead amendment tells the O. P. A. that it must first select 90 percent of the volume of production of cotton textiles, and then must fix a production cost and a marketing cost sufficiently high to cover the cost of any manufacturer coming within that 90 percent volume. That means, and can only mean, one thing, namely, that the highest-cost producer in the 90 percent volume of production will have his costs become the costs for the whole industry.

Let us consider that point for a moment. When we were considering this matter before the committee we were told that one large manufacturer who was manufacturing carpets, was told and directed to convert to the manufacture of duck. We were told that his costs by reason of that conversion of necessity went up tremendously. Now let us suppose that manufacturer's production is included in the 90 percent. Then, what happens? The cost of production of the whole industry will be raised to the cost of that highest-cost manufacturer. There can be no doubt about that. The language is just as plain, simple, and emphatic as it can be that that is the way to arrive at the production costs, as the second factor.

The third factor is that, regardless of factor No. 2, which unquestionably would result in the payment of unconscionable profits to low-cost manufacturers, there still must be added on top of the other two factors, according to the formula of the Bankhead amendment, a fair and reasonable profit. Then, the Bankhead amendment proposes and directs that the Office of Price Administration during a period of 60 days shall adjust prices according to the formula of the amendment. Will any Senator supporting the Bankhead amendment say that that revision of prices will not be a revision upward? Of course not. Why? Because, according to the author of the amendment, all the present inventories in the cotton mills have been purchased at prices below parity. If the present inventories have been purchased at prices below parity, and adjustment of ceiling prices by the O. P. A. must be made on the assumption that parity was paid, will any Senator say that that will not result in an upward revision of the ceiling prices on textiles?

The next important step in the amendment is this: After the adjustment has been made during the first 60-day period, then at the beginning of the period after 120 days have elapsed following the enactment of the act, cotton textile prices will again be adjusted, and the adjustment will be made for the ensuing 60 days—on what basis? On the basis of the market value of cotton at the beginning of the ensuing 60-day period.

Yesterday I called the attention of the Senate—and I call attention to it again today—to the fact that the phrase "the beginning of such period" is a very dangerous phrase. I ask any Senator present, if he knows what that phrase means, to rise and tell the Senate. Does it mean, Mr. President, the first day of the period? Does it mean the first 3 days, the first 5 days, the first week, or the first 2 weeks of the 60-day period? I asked the distinguished author of the amendment what that language meant. Did I get a responsive answer? No. In my opinion I got no answer at all. The Senator said that the average price might be taken. But, Mr. President, the O. P. A. must look to the language of the amendment, and the language of the amendment is that ceiling prices for the ensuing 60-day period must be based on the market value of cotton at the beginning of the 60-day period.

I do not know very much about how the cotton markets are handled—

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Utah yield to the Senator from Vermont?

Mr. MURDOCK. I yield.

Mr. AUSTIN. I should like to ask the Senator what he himself would regard as the beginning of the period?

Mr. MURDOCK. I have given the question careful attention and study, and I can come to only one conclusion. That is that the first day of the period would be the beginning.

I do not know very much about the marketing of cotton, but I have looked at that phrase in the language of the amendment from the standpoint of the little experience I have had in markets. Let us see what might happen. Let us assume that 60 days have passed—the first 60 days after the enactment of the bill. According to the directive of Congress, the O. P. A. would revise the ceiling prices upward on the basis that parity was paid for cotton. At the end of 120 days the ceiling prices must again be adjusted. I ask any Senator present if the following result could not flow from the language of the amendment: Suppose that at the beginning of the second 60-day period, when adjustments are to be made, the cotton mills, or those who actually buy the cotton, go into the market on that day and bid the price of cotton up to parity. That day is the beginning of the period. The price of cotton at the beginning of the period conforms to the formula of the Senator from Alabama. So no downward adjustment can be made. Why? Because at the beginning of the period the price of cotton is bid up, on that particular day, to parity.

Then we would go along for 59 days—

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. BANKHEAD. I announced that I would offer an amendment to meet the point raised by the Senator, which I think is well taken. My amendment would provide that the cost should be the

average cost during the last 4 weeks of the period.

Mr. MURDOCK. The Senator now tells us that he has departed from the language of the amendment. Why? Because it was uncertain; because it was indefinite; and because, in my opinion, when it was called to his attention and to the attention of other distinguished Senators supporting the amendment, they decided that it would be conducive to the worst kind of speculation in cotton.

Let us forget for a moment the proposed amendment of the Senator. At the beginning of the period the price of cotton is bid up to parity. That is the controlling price, on which the prices of cotton textiles must be adjusted for the next 60 days. I ask Senators if during that 60-day period the mills could build up their inventories at a price below parity. Of course, they could. What would there be to stop them?

Then, as the mills neared the end of the 60-day period, and the beginning of the next period became important, they could go into the market on the first day of the period and again bid up the price of cotton to parity. My construction of the language of the amendment is that if on 1 day in every 60-day period cotton could be sold at parity, that price would control the adjustment of price ceilings. During the remaining 59 days of the period the mills, buyers, and brokers could depress the price of cotton, and in each 60-day period could reap an unconscionable windfall. The first windfall would come during the first 120 days. How would it arise? It would arise from the fact that the existing inventories were all purchased at prices below parity.

If the Congress of the United States should adopt the amendment of the distinguished Senator from Alabama, it would not be saying to the farmers of the South, "We are going to see that you get parity for your cotton." It would be saying to the mills, "Your ceiling prices will be adjusted on the basis of the assumption that you paid parity for all the cotton in your inventories, no matter what price you may have actually paid for it."

Do we want to do that? Is that a continuation of price control? Is that fair and equitable to the other industries of the country? Is that putting money into the pockets of the farmers, where we say we want to put it? Or is it putting money into the pockets of men who are today receiving the highest profit they have received since 1920, and giving them a windfall to which they are certainly not entitled? If the amendment were in the interest of the cotton farmers of the South, it would provide that if within 120 days, or 60 days, they failed to receive parity, there should be an adjustment of textile prices downward. That type of amendment would be justified by the figures showing the profits of the mills during 1942 and 1943.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. BANKHEAD. It has been explained time and time again that that is the proper construction and the real ob-

ject of the amendment. If the price of cotton is not raised to parity, the escalator clause comes into effect and brings down the price ceiling to the extent that the price of cotton is below parity.

Mr. MURDOCK. That is the theory of the amendment. I have pointed out, and I repeat, that if at the beginning of the period the price of cotton is bid up to parity, there will be no adjustment. The Senator says that he intends to offer an amendment providing that the price shall be the average price during the last 4 weeks of the 60-day period. If in the first instance the language was bad, I assert that the new proposal corrects the situation only for a 4-week period. Why not say to the mills that if the average price paid during the entire 60-day period is not at parity, the ceiling price shall be reduced?

There would be no reduction in prices under the Bankhead amendment. Why? Let us assume that the amendment would accomplish all that the Senator from Alabama desires it to accomplish, namely, the paying of parity to farmers. If that objective were attained, nothing in the amendment would provide for any adjustment downward subsequent to the upward revision. The only reason for a downward adjustment following the first 60-day period would be the reduction of the price of cotton below parity. I do not refer to the beginning of the period, but if during the last 4 weeks of the period cotton should drop below parity, only in such event could there be an adjustment downward.

Mr. President, how could there be an adjustment downward when, in considering 90 percent of the volume, every manufacturer who came within such volume, regardless of his costs, would have to figure such costs as the costs for the entire industry?

The Senator now proposes to offer another amendment. In my opinion, it is illusory, deceiving, and will not help the farmers. Furthermore, it would place upon the O. P. A. in Washington a restriction which, in my opinion, would be more unconscionable than that which would be imposed by the language which is now in the bill. Let us read what it states, and give it careful consideration. Also, allow me to invite attention to the fact that there would be no need for this language if the previously proposed language had not been determined by our distinguished friend from Alabama to be not what he desired. The amendment reads, in part, as follows:

A generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item—

Mr. President, how much of a departure is that from the present language? There is no such word as "item" in the present language. It is a departure from what is considered generally to be fair and equitable, based on specific items.

As the Senator from Louisiana [Mr. ELLENDER] asked us a few minutes ago, if there is reason to do for the textile industry what has been suggested, why limit it to that industry alone? If the proposed policy is correct, and is to be

substituted by the Senate for the present policy, should we not take the long step and initiate a similar policy in behalf of every industry in America, and not alone in behalf of the textile industry, which has already received unconscionable profits? However, that is not the worst feature of the amendment. Let us see exactly what it would do.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. SHIPSTEAD. The Senator made the statement that the proposed policy should be extended to all producers of raw material. Such extension would be reasonable. Business corporations are allowed to figure their costs and salaries, and are allowed a profit. Such practice is followed generally throughout all industry, and by the middlemen who handle goods, regardless of the kind of goods they may happen to be. However, the farmer is not to be allowed to figure his cost of production, and is not to receive wages for himself and his family. If the proposal referred to is equitable it should be extended to all industries.

Mr. MURDOCK. What the Senator has stated is correct, and the farmers should be included.

Mr. SHIPSTEAD. Other industries have already received such consideration.

Mr. MURDOCK. I admit that if anyone is suffering in America today it is the farmer. I am not, however, willing to take money out of the pockets of the American people and put it into the pockets of the textile manufacturers, who are already receiving unconscionable profits, under the subterfuge that the money will go into the pockets of the cotton farmers of the South. I may say to the Senator from Minnesota, and to the Senate, that I proposed in the Banking and Currency Committee that, instead of raising the loan value to 95 percent of parity it should be raised to 100 percent of parity. Oh, no; 100 percent of parity was not wanted. I know that the gentlemen who so contended are sincere gentlemen. I have no better friends in the Senate than the Senators who are sponsoring the pending amendment. My affection for the Senator from Alabama [Mr. BANKHEAD] is as genuine as it is for any other Senator. I have such affection for two reasons, namely, because of his own fine qualities, and because I had the privilege of serving as a Member of the House under his illustrious deceased brother, "Bill" Bankhead. Anyone who knows the Senator from Alabama cannot help having a genuine and sincere affection for him. But I cannot go along with the distinguished Senator on this amendment. I proposed a 100-percent loan on cotton. That would not mean that the Government would have to take over any more than it would have to take over under a 95-percent or a 90-percent loan. It would mean that if the farmers were unable to obtain parity under a 90-percent loan they would not receive it under a 95-percent loan. Why? Because of the small percentage of margin involved.

Yesterday I was sitting in the Chamber listening with interest and sincerity to

my friend, the Senator from Alabama, and I was called to the telephone. When I reached the telephone I received the announcement that Representative FULMER, of South Carolina, one of the largest cotton-growing States in the Union, at least an important cotton-growing State, was on the other end of the line. I expected Representative FULMER to take me to task. Why? Because I was not in favor of the Bankhead amendment. But he did not take me to task. He gave me the surprise of my life by saying, "Senator, I wish to congratulate you on the position which you have taken for the cotton farmers of the South." When I had recovered my breath I asked, "Just what do you mean, Representative FULMER?" He is an old friend of mine. I sat with him in the other House for 8 years. He said, "The Bankhead amendment is not intended and is not calculated to obtain parity for the cotton farmers of the South. Your proposal of a 100-percent loan is the correct solution of the parity problem of the cotton farmers of the South."

Who is Representative FULMER? He is the chairman of the Committee on Agriculture of the House of Representatives. He has served on that committee ever since I have known him; and I have an idea that he knows something about cotton; I have an idea he knows something about cotton farmers, and I have an idea that he is correct in his construction of the Bankhead amendment that it will not put money into the pockets of the cotton farmers but into the pockets of the textile manufacturers.

Mr. SHIPSTEAD. Mr. President, will the Senator yield now?

Mr. MURDOCK. I yield.

Mr. SHIPSTEAD. From the information I have received the textile manufacturer is not suffering. I am told that in the stores of the city cotton gloves for women about that long [indicating] which used to sell for \$1 now sell for \$3.50. There is a great deal of complaint about the high prices of cotton finished goods.

Mr. BANKHEAD. Mr. President, will the Senator yield to me on that point?

Mr. SHIPSTEAD. I have not the floor.

Mr. BANKHEAD. I fully agree with the Senator, and have made many comments about it. I have pointed out that the difficulty is not due to the fact that the price of cotton goods cannot be reduced because they have a ceiling. It is due to the converters and others after they have bought cloth from the mills and due to the failure of the O. P. A. to put proper ceilings on articles made by the middlemen. That is where the trouble is.

Mr. SHIPSTEAD. Then the trouble is with the O. P. A.

Mr. BANKHEAD. That is what I say, it is due to their absolute failure.

Mr. MURDOCK. Mr. President, that is the remedy, and the O. P. A. have all the power now that they would have under the Bankhead amendment to do that very thing. We all receive, I assume, every month or every week, or whatever the period may be, a circular letter from the City Bank of New York City. What does it say? This morning it tells us that

wholesale prices have declined from what they were a few months ago; that the cost of living is slightly up, and the cost of food has gone down in the last month, but the cost of clothing is still on the ascension. I ask what has happened to clothing? I am not justifying the price of cotton goods at the retail level, I am not justifying the price of cotton goods at the wholesale level; but, Mr. President, if there is any information before the Banking and Currency Committee that is convincing it is that at the mill level there is a sufficient profit today to warrant the payment of parity to the cotton farmers.

Mr. BANKHEAD. Mr. President, will the Senator yield there?

Mr. MURDOCK. I yield.

Mr. BANKHEAD. Assuming that to be true, does not the Senator agree that it would be a total breach of duty on the part of the O. P. A. if they permitted the textile manufacturers an increase in ceilings if they have sufficient money with which to pay parity?

Mr. WILEY. Will the Senator speak a little louder?

Mr. BANKHEAD. If they have sufficient money, as the Senator stated, to pay parity to the farmers, I ask him if it would not be a total breach of duty on the part of O. P. A. if they permitted them to increase their ceiling prices?

Mr. WILEY. The Senator refers to the textile manufacturers?

Mr. BANKHEAD. Yes; the textile manufacturers. That is what the Senator from Utah is talking about—the cotton mills. If they have sufficient money and the O. P. A. says they have it, and I think on the over-all whole they do have it, then there is no reason on earth to increase the ceilings, and if they are increased it will be done by action of the O. P. A. This amendment does not direct that to be done.

Mr. MURDOCK. O Mr. President, the Senator misconstrues the plain language of his amendment. How he can take that position in the face of the language of his amendment is incomprehensible to me. The language of the Senator's amendment is what? That the ceiling price shall be adjusted by the Price Administration within a 60-day period on the basis that parity has been paid to the cotton farmers. The Senator himself admits that parity has not been paid.

Mr. BANKHEAD. No; but I admit that the textile mills have the money with which to pay it.

Mr. MURDOCK. Certainly, they have the money.

Mr. BANKHEAD. We assume that if they have it they can pay parity.

Mr. MURDOCK. The Senator wants now to give them more money.

Mr. BANKHEAD. No.

Mr. MURDOCK. That is what the amendment does; it puts more money into the pockets of the cotton mills with the hope—and I might say with the faith on the part of Congress—that the attitude of the cotton mills will change overnight and that they will begin to dish out to the cotton farmers something they have denied them month after month under the present law.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield to the Senator from Connecticut.

Mr. DANAHER. The Senator a few moments ago told us that when in committee he proposed a 100-percent parity loan rate on cotton "they told me"—and I am now quoting the Senator from Utah—

Mr. MURDOCK. That is right.

Mr. DANAHER. "They told me"—and then the Senator broke off with references to whoever it was who told him something, and he never did tell his colleagues what he was told. Now what did they tell the Senator from Utah when he made that proposal?

Mr. MURDOCK. I am very sorry, and I am grateful to the Senator for calling the attention of the Senate and my attention to the fact that I did break off there without concluding. What I was told and what I was given to understand was that to raise the loan on cotton to parity would destroy the cotton exchanges, and because of that the Senator from Alabama and other Senators were not in favor of a 100-percent loan.

Mr. BANKHEAD. Mr. President, I think it is a totally unfair statement to place the opposition solely on the exchanges as the Senator has done. Senators who were here yesterday heard me go into that subject and say that it involved many other considerations.

Mr. MURDOCK. I do not doubt that.

Mr. BANKHEAD. It involved the opposition of the farm groups; it involved the possibility of being unable to obtain an appropriation of a billion or more dollars; it involved the question of whether we should provide for the farmer getting parity for his cotton, wheat, and oats, for the law applies to them all; whether we should provide for him getting his money in the market, or whether we should force him to take a loan which is constantly increasing in cost and reducing the value of his commodity by reason of storage charges, interest charges, and other items.

Mr. MURDOCK. I have no doubt that the able Senator from Alabama had all the other factors in his mind; I have no doubt that they all entered into his decision against 100-percent loan; but the only information which was conveyed to me during the discussion was that it would put the cotton exchanges of the country out of business.

I have no doubt whatever that the Senator from Alabama is not interested in the cotton exchanges; I want to give him credit for being sincerely interested in the cotton farmers; I give him credit for wanting to do nothing except to put parity into their pockets for their cotton, but I must take issue with him on the formula under which he attempts to do it.

Mr. WILEY. Mr. President—

Mr. MURDOCK. I yield to the Senator from Wisconsin.

Mr. WILEY. For the benefit of some of us who are not fortunate enough to be on the Banking and Currency Committee and therefore did not hear the facts presented in committee, I should like to ascertain if there is not some basis

on which the opposition to the amendment and those in favor of it may agree. I understand definitely that it is the consensus that everyone wants the cotton farmer to get parity. Can we agree on that?

Mr. MURDOCK. I do not think there is a Senator who is not anxious to bring about that result.

Mr. WILEY. Can we agree on this, that when the O. P. A. fixed prices for the producers of textiles in the elements entering into their calculation they took into consideration the parity price. That has been stated several times, and I should like to know if it be true.

Mr. BANKHEAD. It is.

Mr. MURDOCK. May I read to the Senator—

Mr. WILEY. Will the Senator answer yes or no? I want to clear my mind and this is a discussion between ourselves.

Mr. MURDOCK. The question can not be answered yes or no. If I were to answer I would say that, of course, the O. P. A. took into consideration that under the Stabilization Act and under the Price Control Act no ceilings on agricultural products or products manufactured substantially from agricultural products should be fixed at a level that would not reflect parity to the producer.

Mr. WILEY. Then we can assume further that the cotton producers have not been receiving that which the textile producer has been receiving, which should equitably go to the cotton producer. Is that correct?

Mr. MURDOCK. I should say that not only can we assume but we know that the cotton farmer does not receive parity.

Mr. WILEY. There was something else in my question, namely, that the textile manufacturer has been receiving for his product that which equitably belongs to the farmer. That takes into consideration the element that when there was fixed for him the price for which he could sell his product, there was the element that he would pay parity to the farmer.

Mr. MURDOCK. I think that is a correct deduction.

Mr. WILEY. Let us see if we can agree agree on something else. The statement is that before the war the textile producers of the country were receiving about 3½ percent. Three and a half percent of what?

Mr. MURDOCK. I think it was 3½ percent on sales.

Mr. WILEY. And the undisputed evidence now seems to be that they are receiving 8½ percent. Can we agree on that?

Mr. MURDOCK. Those are the figures which were before the committee.

Mr. BANKHEAD. I do not know whether the figures are correct. Those were figures supplied by someone in O. P. A. We did not go into that question. They just put in a general statement.

Mr. MURDOCK. Mr. President, I have the floor, and I have not yielded to anyone except the Senator from Wisconsin.

Mr. MAYBANK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. MURDOCK. I yield to the Senator from South Carolina.

Mr. MAYBANK. I think what the Senator from Wisconsin says would be correct as to high-priced goods, but there are no cheap goods on the market today, so the mills are receiving nothing on them.

Mr. WILEY. Can we agree further that the failure of O. P. A. to provide some method whereby the textile producers would produce cheap goods, the failure to do that, has resulted in the country not having cheap goods?

Mr. MURDOCK. I should say, with all due respect to my colleague from South Carolina, that the big factor in the decrease in the consumption of cotton by the mills, and the big factor in low-priced clothes leaving the shelves of the merchants, is the shortage of labor. That is the big factor, in my opinion, and I think that is amply borne out by the evidence before us.

Mr. WILEY. Can we not agree that, with the present available labor, a mill will manufacture goods on which it can make a profit, and refrain from manufacturing goods on which it cannot, and because O. P. A. did not place adequate ceilings on underwear, which we all need, overalls, and so forth, the manufacture of that type of goods was stopped?

Mr. MURDOCK. I have a statement with me which shows the yardage in millions of linear yards, and the percentage of increases and decreases, which I intend to put into the RECORD. I am not willing to say that because of price ceilings alone cheap work clothes have left the shelves of the merchants. I am not willing to agree to that.

Mr. WILEY. Does not the Senator think that the shortage of labor is an element? It is merely common sense, if one is a manufacturer and has an article on which he can make a profit, for him to manufacture that, instead of manufacturing an article on which he cannot make a profit. The responsibility lies with the O. P. A. in not fixing adequate ceiling prices for articles such as underwear and overalls. We can agree on that, can we not?

Mr. MURDOCK. I am not willing to agree that that is the case. I am willing to agree with the Senator that certainly any man in the textile business who can make a profit on one class of goods and cannot make a profit on another class, is probably going to manufacture the type of goods or products on which he makes the largest profit. I do not think there is any question about that.

Mr. WILEY. We have agreed on practically everything except this, and can we not agree that the price fixed by O. P. A. for the textile producers is, by and large, a fair price, but that the excessive price we have to pay to the retailer is due to the O. P. A. failing to fix prices from the textile producer to the retailer?

Mr. MURDOCK. I think without question the O. P. A. has not fixed those

prices as efficiently as we would have liked to have them do. I am willing to agree to that.

Mr. WILEY. Then, we can agree, as suggested by the distinguished Senator from Minnesota, that the O. P. A. has "missed the boat" in that particular, and should get busy, for the sake of the consumers of the country, to see that there is not a hold-up all along the line, and should not the O. P. A. get busy, secondly, to fix an adequate ceiling for the cheap goods, such as overalls and underwear, so that the country could be furnished with them? Should not the O. P. A. do that?

Mr. MURDOCK. Yes; I am in full agreement with that.

Mr. WILEY. Would a directive of the legislature accomplish that?

Mr. MURDOCK. I am quite sure it would be taken notice of by O. P. A., and they would do their best to accomplish the result desired.

Mr. WILEY. Then, it seems to me that between the Senator from Utah and the Senator from Alabama—and I thank the Senator from Utah for helping me to clear the cobwebs out of my mind—there seems to be one difference, namely, that the Senator from Alabama wants to accomplish what the Senator from Utah wants to accomplish, and the Senator from Utah wants to accomplish what the Senator from Alabama wants to accomplish, but the Senator from Utah claims the amendment of the Senator from Alabama will not accomplish it, and the Senator from Alabama says it will. Is there not some way by which it can be made clearer to the others of us what will be accomplished and what will not be accomplished by the amendment? We have listened for 2 or 3 days, and I suppose will listen 2 or 3 days more, and are right up against the question: Will the job be done which all of us want to have done?

Mr. BANKHEAD. The Senator knows it will not be done unless we adopt the pending amendment, or some similar measure.

Mr. WILEY. I thank the Senator from Utah for yielding.

Mr. MURDOCK. Now we are back where we started. I say to the Senator from Wisconsin that, in my opinion, if there is anything which will effectively bring about what the Senator from Alabama desires, it will be, as Representative FULMER indicated to me yesterday, the establishment of a loan rate of 100 percent. The Senator from Alabama says that it would take a billion dollars to buy the entire crop of cotton, but I take the position that there would be no more cotton purchased under a 100-percent-loan provision than there is under the present 90-percent-loan provision. So, in my opinion, we need not fear the expenditure of a billion dollars if the loan rate goes to a hundred.

Mr. MAYBANK. Mr. President, will the Senator from Utah yield further?

Mr. MURDOCK. I yield.

Mr. MAYBANK. The last time, according to my recollection, when there was a 100-percent loan on cotton, was in 1930, when, through the purchases of the cooperative associations and others,

the price of cotton was to be pegged at 18 cents, and there was a loan. The warehouses of the United States were filled. Business ended. The cooperative associations could not maintain the business. The price of cotton stood at that 18-cent level while the 100-percent purchase loan was in effect. Two years later the price of cotton was 5 cents.

Mr. MOORE. Mr. President, will the Senator from Utah yield?

Mr. MURDOCK. I yield.

Mr. MOORE. I understand from the Senator from Utah that the same thing can be done now by the Price Administration that is sought to be done by the amendment of the Senator from Alabama. Am I correct?

Mr. MURDOCK. I think the Price Administration would have no more power under the Bankhead amendment than it has now.

Mr. MOORE. Then, the injustice that is being done, according to the Senator from Alabama, is being done merely because of the arbitrary position of the Price Administration. Is that correct?

Mr. MURDOCK. No; I think the injustice being done is due to the selfishness and the unwillingness of the operators of cotton textile mills to give the farmer his parity price, which they could well afford to do under the present ceiling prices.

Mr. MOORE. That is the point exactly. That was the intent of Congress, and having bestowed upon the Price Administration that authority, the Price Administration has administered it in such a manner that they have driven the overall and the work-shirt manufacturers out of business. They have put the prices up so high on some items, and so low on others, that they have produced discrimination. Since discrimination has been produced in various activities, then what else is to be done except for Congress specifically to restrain the Price Administrator from placing ceilings so low as to drive these manufacturers out of business? That is what I am talking about in respect to the oil industry. When an administrative agency has been given the power to fix prices so that an industry can live and make a reasonable profit and stay in business, and when the agency administers its power in such a way that such a result is not effected, then what way remains to save the industry except for it to come to Congress and ask Congress to enact legislation which will restrain the agency within such boundaries as are established with respect to it?

Mr. MURDOCK. The Senator from Oklahoma has a right to come to the conclusion at which he has arrived. He has adopted certain premises with which I do not agree.

Mr. MOORE. Is that not the theory of the Bankhead amendment?

Mr. MURDOCK. The theory of the Bankhead amendment, as I understand it, is that by increasing prices to the textile manufacturers, they in their turn, because of a change of heart, will pay parity prices to the cotton farmers. With that I do not agree.

Mr. BANKHEAD. Does not the Senator realize that the amendment does not

propose a uniform increase in prices to the textile mills, but on the contrary, proposes to give increased prices to mills on those items which are now so low that the mills cannot continue to operate and produce them, and proposes to bring down excessive prices on other items?

Mr. MURDOCK. My answer to the distinguished Senator is that what he says his amendment will do, does not square or conform to the language of the amendment.

Mr. BANKHEAD. It will do what we say it will do, if the O. P. A. complies with it. It all depends on the O. P. A.

Mr. MURDOCK. I know that the distinguished Senator takes that position, but I must disagree with him. I return now to what I was saying a while ago, and hope I may be able to finish my statement in a few minutes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. WHERRY. I am very much interested in this discussion. As I understood it, the last statement made by the Senator from Alabama in response to the Senator from Utah was that whether the adoption of the amendment would result in what was claimed for it depended on the good faith of the Office of Price Administration. Is that correct?

Mr. BANKHEAD. Yes; that is what I said.

Mr. WHERRY. I wish to propound a question to the Senator from Utah. If we assume that the success of the amendment depends on the good faith of the Office of Price Administration in administering it, does the Senator from Utah feel that the amendment offered by the Senator from Alabama is in the proper language?

Mr. MURDOCK. In my opinion there could not have been presented anything in the way of an amendment to the price-control measure which would be much more inflationary than the Bankhead amendment. That is my conclusion.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. MURDOCK. Yes.

Mr. WHERRY. Would the adoption of the amendment generally give parity to the cotton producer, and in instances where it would not give parity would it reduce the wholesale price to the processors in the same proportions?

Mr. MURDOCK. I do not believe I follow the Senator.

Mr. WHERRY. It is my understanding that the Bankhead amendment does two things. One is that it gives parity to the cotton producer. The second is that where parity is not paid, that the wholesale price is reflected by a decrease in line with the amount under the parity price at which the processor buys the cotton from the producer. Is that correct?

Mr. MURDOCK. No; I should say that is not correct.

Mr. WHERRY. What is the Senator's interpretation of it?

Mr. MURDOCK. My interpretation of the Bankhead amendment is simply this, that in fixing selling prices on cotton textiles, if the amendment is adopted,

first the Price Control Administration must assume that the mills have paid parity for the cotton. Second, that 90 percent of the production volume of the cotton manufacturers must be taken and the costs ascertained item by item. After finding the cost of the highest-cost producer in the 90-percent volume, the cost of the entire industry item by item is fixed based on that cost. Third, after adding together the parity price of cotton and the cost to produce, then there is another addition in the way of a reasonable profit to every manufacturer.

Mr. WHERRY. When the price is finally stabilized on that basis, then the amendment offered by the distinguished Senator from Alabama provides that parity shall be paid, because the Office of Price Administration has permitted the textile manufacturers to pay that price in establishing the costs. Is that correct?

Mr. MURDOCK. Where does the farmer come out?

Mr. WHERRY. In the event the textile processor does not pay parity, is his ceiling reduced by the amount at which he purchases the cotton below the parity price?

Mr. MURDOCK. The language of the amendment is that if at the beginning of the 60-day period the market value of cotton is at parity, then, of course, there will be no adjustment.

Mr. WHERRY. Yes.

Mr. MURDOCK. The Senator from Alabama has submitted an amendment which calls for the average price for the last 4 weeks. If at the beginning then of the 60-day period the average price of the last 4 weeks of the preceding period is parity, the price is continued at that level. There is no provision in the measure, so long as that price is at parity, for bringing prices down.

Mr. BANKHEAD. That is all the farmer wants, is it not?

Mr. MURDOCK. Yes.

Mr. BANKHEAD. Then, why is the Senator criticizing the farmer?

Mr. MURDOCK. I am not criticizing anyone or anything. I am stating the only conclusion, Mr. President, I can arrive at, while still retaining the highest regard for the Senator from Alabama.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I believe the result of this discussion for the last 2 or 3 days, as it was in the Committee on Banking and Currency, has been to emphasize that we do have a problem which needs to be dealt with. Also, that everyone wants to find the answer to the problem. I wish to ask the Senator if he agrees on the proposition, first, that today the farmer is not receiving parity for his cotton.

Mr. MURDOCK. Yes.

Mr. McCLELLAN. That has been thoroughly established, has it not?

Mr. MURDOCK. Yes; I have agreed to that, I should say, at least twice before in my argument.

Mr. McCLELLAN. Is it also conceded that today all ceiling prices of textile

products are based on parity for the cotton so as to reflect parity to the farmer, and is it not so admitted by the O. P. A. authority?

Mr. MURDOCK. The O. P. A. claims that the ceiling prices established by them on cotton textiles are sufficiently high generally to reflect parity to the cotton farmers.

Mr. McCLELLAN. In other words, that means that the cotton farmer could be paid parity for his cotton on the basis of ceiling prices now established?

Mr. MURDOCK. Under the present law there can be no doubt as to that.

Mr. McCLELLAN. Very well. Then, under the present administration of the law and the facts which are conceded, that does leave a windfall of profit somewhere, does it not?

Mr. MURDOCK. I should say that it leaves a very unconscionable windfall of profits.

Mr. McCLELLAN. Very well. If, due to the fact that the farmer is not paid parity for his cotton by mills or by those who purchase the cotton, that windfall exists, then the windfall of profits is ultimately passed on to and hurts the consumer, does it not?

Mr. MURDOCK. Yes.

Mr. McCLELLAN. Ultimately it comes out of the consumer?

Mr. MURDOCK. That is correct.

Mr. McCLELLAN. Very well. On that premise, to which we agree up to now—

Mr. MURDOCK. Does the Senator agree with all the statements he is making?

Mr. MURDOCK. All right. I want the Senator to remember that he has agreed to those statements.

Mr. McCLELLAN. I am agreeing to that statement for the purpose of this question: If that be correct, then I ask the Senator if this injustice to American consumers exists by reason of present conditions? I am not taking into account now the shortage of clothing, but merely the fact that on the articles now being processed from cotton, and ultimately sold to consumers, there is a great windfall of profit. Does not the Senator agree with me that that condition is one which should be corrected immediately?

Mr. MURDOCK. Yes.

Mr. McCLELLAN. Very well. The O. P. A. has been administering the law for the past 2 years, and this condition has obtained substantially all that time—namely, that the price of cotton has not been up to the parity price, but the ceiling prices have been based on the parity price.

Let me now ask the Senator if he agrees with me that under the present law the O. P. A. does have sufficient power and authority to correct the condition we have just described.

Mr. MURDOCK. No; I certainly do not think it has.

Mr. McCLELLAN. If it does not have sufficient authority to do so, does not the Senator believe we should give it sufficient power, or should set up some formula by way of legislation whereby it could be corrected?

Mr. MURDOCK. I think that certainly should be done if it can be done, and I think it can be done.

Mr. McCLELLAN. Very well; the Senator agrees that it should be done.

If we in the Congress do nothing about it, then what hope is held out to the consumers and to the cotton farmers? Can the Senator offer us any hope as to the future administration of the law by the O. P. A., based on its record in the past, on this particular problem? What hope is offered to the Senate, what hope is offered to the country, what hope is offered to the consumer, what hope is offered to the cotton farmer, that these injustices will be remedied if the Congress does not act?

I should like to have the Senator's opinion on that matter, because I think the condition is a serious one. I say to the Senator and to my other colleagues that I do not wish to have anything done which will tear down whatever good we are accomplishing by the stabilization program. But when we come to an injustice which we all agree works a hardship such as this, when someone is getting a windfall of profit which is coming out of the pockets of the consumers, when the original producer does not receive the price which it is intended he shall receive, and the price upon which the price ceilings are based, can we justify inaction, unless there is some definite hope that the situation will be corrected by the present authorities who are authorized and directed to administer the act?

Mr. MURDOCK. Mr. President, before I answer the Senator's question, I should like to ask him a question. Does the Senator believe in price control?

Mr. McCLELLAN. I certainly do. In answer to that question, I say to the Senator that before the hearings on this bill were concluded and before this amendment was offered, I made a brief radio address in my State, a little more than a month ago, in which I said—and I say this to the Senator now—that I was going to vote for continuation and extension of the Price Control Act and the Stabilization Act, irrespective of whether any amendments were adopted. And I am. I took that position before this amendment was presented, and before I knew it was being considered.

Mr. MURDOCK. I know the Senator was very sincere in that respect. In my answer to his question I will assume the very premises he has laid down, one of which is that the cotton farmer is not receiving the parity price for his cotton, and has not received it, and the other of which is that under the O. P. A. the present ceiling prices on textiles are based on the parity price for cotton, and are fixed with the idea that the profits to the textile manufacturers are sufficiently high to enable the parity price to be paid to the farmers. Up to that point the Senator from Arkansas and I agree.

Now the Senator from Arkansas, in supporting the Bankhead amendment, and the Senator from Alabama seek action on the part of the Senate in order to give the parity price to the cotton farmers. The means by which they are going to do that is to boost again the prices received by the textile manufacturers, who already are getting more than they are entitled to, according to

the premises laid down by the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, will the Senator further yield?

Mr. MURDOCK. I will not yield until I finish my answer. Then I shall yield.

Mr. McCLELLAN. Very well.

Mr. MURDOCK. My answer to the Senator's question as to a remedy for the condition is that we should not add to the already large profits of the textile manufacturers; but if we would put the Bankhead amendment in reverse, and say to the O. P. A. that unless the parity prices are paid to the farmers there will be an adjustment within a 60-day period, and that textile prices shall be revised downward, then what would happen? The farmers would receive the parity price for their cotton.

But under the remedy suggested by the Bankhead amendment, under the remedy which seems to be supported by the able junior Senator from Arkansas, the desire is to add, at the mill level, additional money for the textile manufacturers in the hope that out of their love for the cotton farmers they will pay them the parity price.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. McCLELLAN. The Senator has indulged in an assumption, when he says I am interested in the mill owners.

Mr. MURDOCK. I did not say that.

Mr. McCLELLAN. Very well; I misunderstood the Senator, and I stand corrected.

What I wish to point out, in view of the Senator's explanation and his statement that we wish to have the prices revised downward, in the event that within 60 days the mills do not pay the farmers the parity price, is that if the prices are not revised downward, there will be a continuation of the present situation, under which the Senator admits that a very large windfall of profit has been going to someone.

Mr. MURDOCK. But when would prices be revised downward under the Bankhead amendment?

Mr. McCLELLAN. That would be done within 60 days. It gives them an opportunity to adjust the prices within themselves.

I do not know that this plan will result in having the farmer receive the parity price for his cotton. That is not my primary concern, although I should like to see the cotton farmers receive the parity price for their cotton, because all other agricultural commodities now sell for the parity price, and I should like to see the price of this particular agricultural product brought to the parity price, in justice to the men, women, and children who labor to produce it. I think they are entitled to it. But I should like to point out that if the cotton farmers are not to receive the parity price for their cotton—and cotton is now selling at a cent and a quarter or a cent and a half below the parity price—I do not wish to have the parity price charged to the man who buys the consumer goods.

I do not care how it is worked out. If the amendment will accomplish the desired result, it is a good amendment to

the bill. There are honest differences of opinion as to whether it will actually bring about that result. But if it will bring it about, it is a good amendment, and should be adopted, unless the Senator or the O. P. A. or someone else can give the American people hope that this condition will be remedied under existing law. If existing law is not adequate to do it, or if it is adequate but there is no hope that it will be done, then the responsibility is on the Congress to take action, either by this amendment or by some other amendment, so as to remedy the condition.

In this connection, if the Senator will pardon me for a moment more—I did not wish to speak about this before, and I do not wish to take much of the Senator's time—I should like to say that I understood the Senator to say a while ago that he did not necessarily agree, with respect to the claim of a shortage of work clothes, that they had gone off the shelves. The Senator thinks there has been some effect, at least, does he not?

Mr. MURDOCK. I did not agree as to the cause of that removal.

Mr. McCLELLAN. The Senator agrees that they are off the shelves, but he does not agree as to the cause.

Mr. MURDOCK. That is correct.

Mr. McCLELLAN. I am not fully advised as to that. However, my impression is, as has been stated many times in the course of this discussion, that the reason such articles are not being manufactured is that it is more profitable to manufacture higher-priced goods under present ceiling prices of the O. P. A. If that be true, it is a natural consequence that the higher-priced goods should be manufactured, because there is more profit in them. I understand that the ceilings on cheaper goods, such as work clothes, particularly, are so low that they cannot be manufactured at a profit. I heard the discussion in the Senate yesterday. I wish to mention this point while I am discussing this phase of the bill. The claim is that if we adopt the amendment and the farmer receives parity and there is production of work clothes, prices will be increased, and therefore those of us who are inclined to support the amendment as being the best hope for a remedy we can find are accused of raising the prices which working men must pay. In that connection, I mention the statement now being made by the O. P. A. Director that the ultimate cost to the consumer will be increased by \$350,000,000.

Although the result might be to raise the price of a pair of overalls or a work shirt by a few cents, it is my belief that in the long run the few extra cents paid by the farmer or the laboring man for a shirt or a pair of overalls would actually be an economy, in contrast with the situation in which he now finds himself. He is now compelled to buy more costly shirts and other garments, which are of less durability for purposes of work clothes. Therefore, even if he should have to pay a few cents more, if we can stimulate the production of work clothes, in the end he will have more durable goods, goods designed and intended to be used for work clothes, instead of having to spend far

more money for higher-priced, less durable goods. At the end of the year he would be money ahead. In my judgment, the consumers of utility cotton goods would realize a profit from the Bankhead amendment if more of such goods were produced, as compared with present existing conditions.

I should like to ask a further question. Does the Senator have any information from the O. P. A., either as a result of the hearing or as a result of personal contact or otherwise, which enables him to hold out hope to the country, to farmers and consumers, that if no action is taken by the Congress the conditions which we have described will be remedied?

Mr. MURDOCK. Let me say to the distinguished Senator that I am informed that the O. P. A. is now cooperating with the War Production Board to accomplish the very thing he mentions, namely, a stimulation in the production of low-priced garments.

Referring to the amendment offered by the Senator from Alabama [Mr. BANKHEAD] to the committee amendment, in my opinion, instead of helping the amendment, instead of clarifying it, it simply adds confusion to what in my opinion is a bad amendment. He proposes to substitute for item 2 in his formula the following:

(2) A generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item.

He uses the language "generally fair and equitable," but he changes its application from an application to the industry, as a whole to an application to specific items, which, of course, is a very material change. Then he does away completely, in my opinion, with all the virtue which anyone could possibly imagine in the amendment, by adding the following language:

And whenever the Chairman of the War Production Board or the War Food Administrator has determined such item to be necessary for the war effort or the maintenance of the civilian economy, such allowance shall be computed at a uniform figure that will cover such total current costs in the case of any manufacturer or processor among the manufacturers or processors of at least 90 percent by volume of such item.

What does that add to the Bankhead amendment? It simply says, Mr. President, that if there are any items at the mill level which are not necessary to our civilian economy or to the war program, he would apply to such items the "generally fair and equitable" language. But the moment the Chairman of the War Production Board or the War Food Administrator says that a certain item of textile construction is necessary to the civilian economy or to the war program, the other formula is applied, namely, that the costs of production on that particular item must be the highest costs among the manufacturers or processors of 90 percent of the production of such item.

I ask, Mr. President, if anything in the nature of an equitable modification of the amendment is accomplished by adding such language? Unless it were desired to apply the 90 percent formula, it would be impossible for the Chairman

of the War Production Board or the Food Administrator to say that an item was necessary either to the civilian economy or to the war program. In my opinion, as I previously stated, the amendment would simply add confusion to an already bad condition.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks certain schedules and figures shown on page 14 of a statement issued by the Office of Price Administration.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Change in production of broad woven cotton fabrics from first to fourth quarter, 1943¹

	Yardage ²	Percentage
Cotton duck.....	-59	-34.1
Narrow sheetings and allied fabrics.....	-85	-11.1
Osnaaburgs.....	-26	-19.9
Sateens.....	+0.2	+6.7
Birdseye diaper cloth.....	+2	+22.6
Print-cloth yarn fabrics, total.....	-74	-8.5
Fancy print cloth.....	-2	-14.2
Gauze diaper cloth.....	+3	+71.7
Napped fabrics.....	+9	+8.5
Colored-yarn cotton goods and allied fabrics.....	-32	-16.7
Denims.....	-13	-17.5
Bed tickings.....	-3	-11.0
Chambrays.....	-7	-19.1
Ginghams.....	-5	-34.1
Fine cotton goods.....	-60	-16.4
Twills and gabardines.....	-30	-31.1
Towels, toweling, and wash cloths.....	-15	-13.1
Wide cotton fabrics, total.....	-21	-13.2
Specialties and other fabrics.....	+7	+7.2
Total, broad woven cotton fabrics.....	-330	-11.6

¹ Source: Bureau of the Census, Facts for Industry, series 32-2-1, Apr. 4, 1944.

² Million linear yards.

I wish to read to the Senate the following statement by the Office of Price Administration:

The most serious criticism expressed at the hearings was the charge that existing textile ceilings are preventing or have prevented cotton from reaching parity. If this charge were well-founded, it would, of course, mean that the ceiling prices have been in violation of law.

O. P. A. has given the most intensive study to this question. All the evidence bearing upon the movement of cotton prices which it has been able to gather, or which has been submitted to it, shows that the charge is unfounded—that cotton prices have not been prevented from rising by textile ceilings. This evidence is considered below in connection, first, with mill earnings, second, with the large carry-over of cotton, and, third, with the current operating demand of the mills for cotton, as determined by the volume of textiles they are able to produce.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks all the remainder of page 7 of the statement from which I have been reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

A. MILL EARNINGS

Is the price of cotton below parity because the textile companies cannot pay more for cotton? The evidence against such a contention is overwhelming.

The ability of the mills to pay higher prices for cotton, and indeed to pay higher than parity prices, can be shown by a com-

parison, first of all, of mill earnings in the year 1942 with representative peacetime earnings and then by a comparison, based on a somewhat smaller sample, of 1943 earnings with those of 1942.

The immediate comparison of 1942 earnings is with earnings in the years 1936-39. The claim was made before the Committee that this was an unfavorable period for the cotton-textile industry. The figures, however, do not bear this out. It would be necessary to go back nearly 20 years to find a span of years more favorable, in terms of dollar profits, to the cotton manufacturers. During the 1936-39 period, the industry made more than 3 percent on sales and more than 4 percent on net worth.

Here are the figures for 1940, 1941, and 1942, compared with those for 1936-39. The figures are based on a sample of 148 cotton-textile companies which had in 1942 more than a billion dollars of sales.

I wish also to read to the Senate some very brief figures relative to profits which are now being made by the textile industry.

The index of sales covers the period 1936 to 1939, the average being fixed at 100. We find that in 1940 the sales were 110; in 1941 the sales were 170; and in 1942 the sales were 234.

Considering the index of dollar profits before income taxes, taking 148 textile companies and the period of 1936 to 1939 as a base of 100, we find that for 1940 the index of dollar profits was 176; for 1941, 546; and for 1942, 963.

In other words, the dollar profits before income taxes, compared with the period 1936 to 1939 as a base, were 963, or approximately 9 times greater than they were during the base period.

Let us consider the index of dollar profits before income taxes, as related to 2,460 industrial corporations. Still using the base period of 1936 to 1939 as 100, we find that in 1940 the dollar profits were 147; in 1941, 261; and in 1942, 306.

The remaining figures on this page bear out the same relationship, and I ask unanimous consent that they, together with the ones which I have already read, be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

	1936-39 (average)	1940	1941	1942
Index of sales.....	100	110	170	234
Index of dollar profits before income taxes (148 textile companies).....	100	176	546	963
Index of dollar profits before income taxes (2,460 industrial corporations).....	100	147	261	306
Profits before taxes of textile companies as a percentage of:				
Sales.....	3.5	5.6	11.3	14.5
Net worth.....	4.3	7.8	22.9	37.4
Index of dollar profits after income taxes (148 textile companies).....	100	166	419	404
Index of dollar profits after income taxes (2,460 industrial corporations).....	100	126	163	147

The dollar profits before income taxes realized by textile mills in the year 1942 were equaled only in the First World War in 1918 and 1919.

It should be emphasized that this prosperity was well diffused throughout the industry. In 1936-39 this had not been true. Of the 148 companies, 30 companies, doing 20 percent of the sales volume, lost money in that period. An additional 73 of the companies, doing 51 percent of the sales volume, earned before taxes less than 5 percent on sales. Thus companies doing 71 percent of the sales volume earned less than 5 percent on sales. In 1942, on the other hand, every company in the sample, without a single exception, made a profit. Only 19 of the companies, accounting for only 6 percent of the sales volume, earned less than 7.5 percent on sales, a volume which had risen by 134 percent. How remarkable this performance is can best be grasped when it is remembered that in the period from 1921 to 1939 an average of only 50 percent of the mills reporting to the Bureau of Internal Revenue showed any profit at all. In no single year between 1921 and 1939 did the percentage making profits rise above 76.

O. P. A. has given the most intensive study to this question. All the evidence bearing upon the movement of cotton prices which it has been able to gather, or which has been submitted to it, shows that the charge is unfounded—that cotton prices have not been prevented from rising by textile ceilings. This evidence is considered below in connection, first, with mill earnings; second, with the large carry-over of cotton; and, third, with the current operating demand of the mills for cotton, as determined by the volume of textiles they are able to produce.

A. MILL EARNINGS

Is the price of cotton below parity because the textile companies cannot pay more for cotton? The evidence against such a contention is overwhelming.

The ability of the mills to pay higher prices for cotton, and indeed to pay higher than parity prices, can be shown by a comparison, first of all, of mill earnings in the year 1942 with representative peacetime earnings and then by a comparison, based on a somewhat smaller sample, of 1943 earnings with those of 1942.

The immediate comparison of 1942 earnings is with earnings in the years 1936-39. The claim was made before the committee that this was an unfavorable period for the cotton textile industry. The figures, however, do not bear this out. It would be necessary to go back nearly 20 years to find a span of years more favorable, in terms of dollar profits, to the cotton manufacturers. During the 1936-39 period, the industry made more than 3 percent on sales and more than 4 percent on net worth.

Here are the figures for 1940, 1941, and 1942, compared with those for 1936-39. The figures are based on a sample of 148 cotton textile companies which had in 1942 more than a billion dollars of sales.

Mr. MURDOCK. Mr. President, I fully agree with the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Alabama [Mr. BANKHEAD] that if there is anything which Congress can do to insure, indubitably, parity for the cotton farmers it should be done. I think the surest method and, according to the gentleman from South Carolina, Representative FULMER, the safest method would be to raise the loan rate on cotton to 100 percent of parity. That would not mean that the Government would have to buy the entire crop; it would mean that without any question the farmers would be paid parity for their cotton.

Mr. BARKLEY. Mr. President, I believe that the time has come when we should vote on the amendments to this

bill. I believe that every Member has made up his mind as to how he will vote. I further believe that it explains the reason for such sparse attendance of Senators during the debate. I had hoped that we could complete consideration of the bill today. I now serve notice on the Senate that if we do not complete consideration of the bill today we shall have to hold a session tomorrow. I hope that Senators will forego further speeches until after the vote has been taken. I am foregoing my right to inflict upon the Senate a visitation of my views on the subject, and I hope that other Senators will do likewise, with the purpose in mind of bringing to a close consideration of the pending legislation. The time is growing short in which to pass legislation through both Houses and have it reach the President in time to be acted upon before a voluntary, official, formal, or informal exodus takes place from this city on the part of statesmen who dwell here. Therefore, I urge the Senate to get down to brass tacks and to begin voting.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama [Mr. BANKHEAD] to the pending committee amendment.

Mr. MALONEY. Mr. President, do I understand that we are now about to vote on the so-called perfecting amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. WAGNER. I was about to suggest that unanimous consent be given to the Senator to perfect his own amendment.

The PRESIDING OFFICER. Inasmuch as the yeas and nays have been ordered on the committee amendment, it is the understanding of the chair that unanimous consent, as suggested by the Senator from New York, would be out of order.

The question is on agreeing to the amendment of the Senator from Alabama to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, there are two more perfecting amendments to which I believe there will be no objection. I send the first one to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Alabama to the committee amendment.

The CHIEF CLERK. In the committee amendment on page 13, after line 20, it is proposed to insert the following:

Whenever the maximum price established for sales at any subsequent level of manufacture, processing, or distribution of any commodity which is constituted in whole or substantial part of any textile item is in excess of a price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level of manufacture, processing, or distribution, then the Administrator may reduce such maximum price to any price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment of the Senator from Alabama to the committee amendment.

Mr. MALONEY. Mr. President, I should like to be sure that we are proceeding in the proper manner.

The PRESIDING OFFICER. The Chair hopes that the statement of the Senator from Connecticut is no reflection upon the Chair.

Mr. MALONEY. If so, it is only a mild reflection. I should like to be sure that we are not being asked to vote on these amendments, consisting of the one which has just been read and the remaining one which is to be proposed. As I understand, the Senator from Alabama has the right to modify his own amendment.

Mr. BARKLEY. Not after the yeas and nays have been ordered on the original amendment.

The PRESIDING OFFICER. The difficulty is that the yeas and nays have been ordered on the original amendment.

Mr. MALONEY. Mr. President, I should like to be sure that the yeas-and-nays procedure will not deny me the opportunity of offering a substitute for the Bankhead amendment as perfected.

The PRESIDING OFFICER. It was the opinion of the present occupant of the chair that, after the yeas and nays had been ordered, no amendments to the committee amendment were in order; but in view of the situation which has developed the present occupant of the chair rules that the Senator from Connecticut will be entitled to offer his substitute amendment after the Bankhead amendment has been perfected.

The question is on agreeing to the amendment of the Senator from Alabama to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, I offer another amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Alabama to the committee amendment.

The CHIEF CLERK. In the committee amendment on page 13, line 20, after the period, it is proposed to insert the following:

Whenever the maximum price established for any item to which this paragraph is applicable is in excess of a price which in the judgment of the Administrator is generally fair and equitable and is also in excess of the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section, the Administrator may reduce the maximum price for such items to a price which in his judgment will be generally fair and equitable, except that such maximum price shall in no event be reduced to a price lower than the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section or be reduced to a price which will impede the effective prosecution of the war or the maintenance of the civilian economy.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MALONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Radcliffe
Austin	Gillette	Reed
Ball	Guffey	Robertson
Bankhead	Gurney	Russell
Barkley	Hatch	Shipstead
Bilbo	Hawkes	Stewart
Brewster	Hill	Taft
Bridges	Holman	Thomas, Idaho
Burton	Jackson	Thomas, Okla.
Bushfield	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	La Follette	Truman
Capper	Lucas	Tunnell
Caraway	McClellan	Vandenberg
Chandler	McFarland	Wagner
Chavez	McKellar	Wallgren
Clark, Mo.	Maloney	Walsh, Mass.
Connally	Maybank	Walsh, N. J.
Cordon	Mead	Weeks
Danaher	Millikin	Wheeler
Davis	Moore	Wherry
Downey	Murdock	White
Eastland	Murray	Wiley
Ellender	Nye	Willis
Ferguson	O'Daniel	Wilson
George	Overton	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present. The question is on the committee amendment, as amended.

Mr. MALONEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut wish to offer a substitute at this time?

Mr. MALONEY. Yes, Mr. President.

The PRESIDING OFFICER. Then, the substitute is the pending question. Does the Senator wish to have the proposed substitute reread?

Mr. MALONEY. I should like to have it reread.

The PRESIDING OFFICER. The amendment to the amendment will be again stated.

The CHIEF CLERK. In lieu of section 201 of the committee amendment it is proposed to insert the following:

SEC. 201. The Stabilization Act of October 2, 1942, is amended by inserting after section 3 the following new section:

"Sec. 3. (a) The Economic Stabilization Director is authorized and directed to coordinate the activities of all the departments and agencies of the Government concerned with the production and distribution of essential textiles, apparel, and other textile products in effectuating a comprehensive national policy to increase the supply and improve the quality of such essential products to the maximum extent consistent with the effective prosecution of the war and the stabilization of the cost of living. Special emphasis shall be given in the policy to the production and distribution of low-cost children's clothing, work clothing, and other low-cost staple textile products.

"(b) Every agency of the Government concerned, directly or indirectly, with the production or distribution of such essential textiles, apparel, or other textile products is directed, in cooperation with the Director and with each other, to utilize its full legal authority to put the policy promptly into effect. So far as each may be authorized by law and to the fullest extent necessary to effectuate the policy, it shall be the specific duty and responsibility—

"(1) of the War Production Board to develop adequate production and distribution

programs and to take appropriate action to direct production, to grant priorities, and to control the distribution of facilities, raw materials and processed commodities so that, as far as practicable without interference with other needs of the war and the defense program, essential textiles, apparel and other textile products (as designated by the War Production Board in an extent sufficient to effectuate the policy) shall be produced and distributed in the proportions by price lines and in the qualities (especially durability) in which they were produced and distributed in an appropriate base period to be designated by the Economic Stabilization Director;

"(2) of the War Manpower Commission to take such action as may be appropriate to avoid shortages of manpower required by the program;

"(3) of the Smaller War Plants Corporation to take such action as will enable small business concerns to participate to the fullest extent practicable in the program; and

"(4) of the Office of Price Administration (i) to establish, as far as may be practicable, dollar-and-cents maximum retail prices for the items designated by the War Production Board, utilizing, where appropriate, minimum specifications established by or in cooperation with the War Production Board and (ii) to take such action as may be necessary to remove price impediments to the production or distribution of commodities required by the program.

"(c) From time to time, the Director shall transmit to the Congress a report of operations under this section. If the Senate or the House of Representatives is not in session, such report shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Connecticut [Mr. MALONEY].

Mr. MALONEY. Mr. President, many months ago I introduced in the Senate a joint resolution providing for a study of the reorganization of Congress. This would be a very appropriate time to discuss that, in view of the absence of so many Senators who are compelled to be absent from the Chamber because of pressing duties on important Senate committees. These committees are in session, and it is obvious that Senators will not be present until a call for a vote is rung. There are very few more Senators in the Chamber now than there were when I earlier discussed the amendment at some length, and I do not intend to take the time of the Senate to go over the arguments again, for the reason which I have just given, in addition to the appeal made by the distinguished majority leader that we hasten to the conclusion of the consideration of the pending measure.

I should just like to point out that the proposal which I offer has the approval of the Office of Price Administration, the approval of the War Production Board, the approval of the Economic Stabilization Director, and of many private organizations, representing millions of people, throughout the country. I

think it meets, or goes far toward meeting, the aims of the distinguished Senator from Alabama. I cannot see any occasion for opposing or objecting to the amendment which I offer, except, of course, in the instance where it is offered as a substitute for another amendment. I think on its own it would have the almost unanimous support of the Senate.

I shall not delay longer, because I see no purpose in it. I ask for the yeas and nays on my substitute amendment.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I think there is a legitimate question on the Bankhead amendment, and a real difference of opinion, but I can see no excuse for the Maloney substitute. As I see it, it confirms everything the Administration has done in price policy as to cotton goods. It gives the War Manpower Commission and the War Production Board powers which are at least doubtful, but which they are now using. Some months ago they did exactly what they would be required by the amendment to do. They issued their comprehensive program, and under it the War Production Board is to compel mills to produce articles at less than cost. We know that to be so. The evidence shows the orders of the Director of Economic Stabilization to make the mills produce at cost. Their proposal for bringing about a greater production of cheap goods is to say to the mills, "You have to produce these at cost or less than cost, or we will cut off all your supplies and priorities." That is the very thing that has led me to support the Bankhead amendment, to get rid of that comprehensive plan for production, which I think has been a failure, and will be a failure. That is the plan of the Maloney amendment, which provides:

The Economic Stabilization Director is authorized and directed to formulate a comprehensive and coordinated national program.

That has been done. That is not the trouble. The trouble is that it is the wrong program. I read further from the amendment:

So far as each may be authorized by law and to the fullest extent necessary to effectuate the program, it shall be the specific duty and responsibility—

(1) of the War Production Board to allocate necessary facilities and materials to the production of the commodities required by the program and to institute appropriate restrictions when and to the extent that the production or distribution of any commodity is inconsistent with the program.

In other words, the amendment in so many words would authorize the War Production Board to go into any mill and say, "You must produce these goods for civilian consumption at whatever prices the Price Administration chooses to fix, at cost or less than cost."

Mr. MALONEY. Mr. President, what the Senator last said is entirely the truth, that they are compelled to manufacture at whatever prices are designated by the Office of Price Administration. That is true of every commodity. That is true of every single item with which the Office of Price Administration deals. The amendment would not re-

sult in what the Senator from Ohio first indicated. It would merely mean that those engaged in these manufacturing businesses must help, must contribute their share in the war program by manufacturing sorely needed cheap articles of clothing. It has not anything to do with prices. That is something that is determined by the Office of Price Administration, entirely apart from this amendment.

Mr. TAFT. Not at all. The amendment provides further that the Office of Price Administration shall "take such action as may be necessary to remove price impediments, to the production or distribution of commodities required by the program, including increases in maximum prices where no practicable alternative exists", and so forth.

The O. P. A. says there is a practicable alternative, namely, to order people to make things at less than cost, or get the War Production Board to cut off all their supplies if they do not do it. That is the practicable alternative that is provided in the order of the Director of Economic Stabilization.

So that all the amendment would do would be to affirm and give congressional authority to the program which has been tried in an attempt to meet the difficulty in regard to cotton goods.

I say there may be some argument for not taking the Bankhead amendment, but there is no argument for asking Congress to go on record in favor of a policy which has already failed, and which is bound to fail if it is continued.

Mr. MALONEY. Mr. President, in view of the statement of the distinguished Senator from Ohio, I must say a concluding word. He is in part stating the case; the amendment intends that the agencies of Government with the power would tell men engaged in the production of clothing that they should do their share, that if they are to reap profits, they are to make some contribution to the war effort. No one expects a soldier to say that he will obey a forward march order a little later. We are saying to those engaged in this industry, operating at great profit, that they shall not go backward while our soldiers in the same war effort are going forward. We are saying to them, "You have waited too long. You have a part to play. Your industry has been dilatory. Your industry has been negligent. You are going to participate in the program in its entirety, to the extent you can, or you are not going to be permitted to reap a harvest." Under the priority powers of the War Production Board, under the allocation powers of the War Production Board, we can do the things that are suggested by the Bankhead amendment.

Mr. President, I think this is all important, and I am very hopeful that the Senate will agree to the amendment, and that we will adopt it as a substitute for the Bankhead amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Connecticut [Mr. MALONEY] for the committee amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senator from Texas [Mr. CONNALLY] is detained in a committee meeting.

The Senator from North Carolina [Mr. REYNOLDS] is detained in one of the Government departments on matters pertaining to his State.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senators from Nevada [Mr. McCARRAN] and Mr. SCRUGHAM] are absent on official business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is paired with the Senator from Maryland [Mr. TYDINGS].

The Senator from North Dakota [Mr. NYE] is paired with the Senator from Arizona [Mr. HAYDEN].

The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. NYE], the Senator from North Dakota [Mr. LANGER], the Senator from Delaware [Mr. BUCK], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The result was announced—yeas 24, nays 51, as follows:

YEAS—24

Barkley	La Follette	Truman
Chavez	Lucas	Tunnell
Downey	Maloney	Wagner
Ellender	Mead	Wallgren
Guffey	Murdock	Walsh, Mass.
Jackson	Murray	Walsh, N. J.
Johnson, Colo.	Radcliffe	Wheeler
Kilgore	Thomas, Utah	Wilson

NAYS—51

Aiken	Davis	O'Daniel
Austin	Eastland	Overton
Ball	Ferguson	Reed
Bankhead	George	Robertson
Bilbo	Gerry	Russell
Brewster	Gillette	Shipstead
Bridges	Gurney	Stewart
Burton	Hatch	Taft
Bushfield	Hawkes	Thomas, Idaho
Butler	Hill	Thomas, Okla.
Byrd	Holman	Tobey
Capper	McClellan	Vandenberg
Caraway	McFarland	Weeks
Chandler	McKellar	Wherry
Clark, Mo.	Maybank	White
Cordon	Millikin	Wiley
Danaher	Moore	Willis

NOT VOTING—21

Andrews	Glass	O'Mahoney
Bailey	Green	Pepper
Bone	Hayden	Revercomb
Brooks	Johnson, Calif.	Reynolds
Buck	Langer	Scrugham
Clark, Idaho	McCarran	Smith
Connally	Nye	Tydings

So Mr. MALONEY's amendment in the nature of a substitute for the committee amendment was rejected.

Mr. DANAHER. Mr. President, I am opposed to the so-called Bankhead amendment. I joined in the minority views against it. I had hoped to speak briefly as to the amendment on which

the vote was just taken. During much of the discussion which preceded the vote I was necessarily absent, because I am one of the conferees on the veterans' bill, and we have been in active session. I now wish to cause the RECORD to show that the amendment just voted upon was not considered by the committee.

Furthermore, Mr. President, there are certain excerpts from the record of the hearings which I think the RECORD should show. From the hearings at page 46 I read from the testimony of Mr. Bowles:

Mr. Chairman, I appear before this committee to ask that the price-control statutes be extended substantially as they stand today. While I have been frank to say to you that the administration of the law has been faulty in many respects, the progress we have made in administration bears considerable promise for the future. But regardless of past and even future errors, the past stands at that. Under the statutes as written by Congress and with the powers granted by them we have carried out the mandate of the Congress to stabilize prices and rents.

Again, Mr. President, at page 47, Mr. Bowles said:

Some of the witnesses who will appear before you will suggest amendments to the statutes. I hope that later, before these hearings are concluded, you will give me opportunity to comment upon such suggestions and give you my best judgment on how these proposed amendments would affect our operations.

Mr. President, as to each of the amendments which was proposed before the committee we had the benefit of the suggestions and the comments of Mr. Bowles and his counsel. Those amendments were extensive. Their comments were more so. They ran through over 120 mimeographed sheets. Long hours of consideration were given to all the amendments which actually were submitted to the Senate Committee on Banking and Currency.

I turn next to the statement of Mr. Donald M. Nelson, Chairman of the War Production Board. His testimony appears at page 283 of the hearings. The chairman, the Senator from New York [Mr. WAGNER], addressed him:

Would you suggest any amendments to the act as the result of your experience?

Mr. NELSON. No, sir; I do not know that I could, sir, suggest any amendments to the act. Like everything else, an act has to be brought into being, and there have to be working relationships from day to day in the working out of that bill; and in its present form, sir, I believe it is very satisfactory as far as we are concerned.

Then, Mr. President, Judge Vinson, Economic Stabilization Director, appeared before us. At page 1117 of the hearings, Judge Vinson stated:

First, as to the statutory powers themselves. I will not dwell upon these except to say that since the passage of the act of October 2, 1943, the statutory directive has been clear and unmistakable and the powers conferred have been fully adequate to the great responsibilities laid upon the President and the stabilization agencies. My experience with operations under these statutes, first as a member of the Emergency Court of Appeals and later as Director of the Office of Economic Stabilization, has led me to the conclusion both that all the powers con-

ferred by the statutes are necessary for the full discharge of these responsibilities and that the statutes provide ample protection against abuse of those powers. I am convinced that amendment in any substantial particular would be highly dangerous. This is no time to tinker or tamper with a working program.

Mr. MALONEY. Mr. President, will my colleague yield?

Mr. DANAHER. I yield to my colleague.

Mr. MALONEY. Is the Senator by any chance referring to my substitute amendment, which was so overwhelmingly defeated a moment ago?

Mr. DANAHER. Yes.

Mr. MALONEY. I should like to point out in my colleague's time, and with his permission, that the statements which were made by the heads of the various agencies, and from which he is now reading, were made before the Bankhead amendment was finally adopted by the committee; and I should like to add, if I may, that during the course of the discussion of my proposal I said time and again that it had the approval of Mr. Vinson and Mr. Bowles and the War Production Board.

Mr. DANAHER. Mr. President, I wish to recall to my colleague that I voted against the Bankhead amendment, and I am on record in the minority views against its adoption.

Again on page 1124, Judge Vinson said:

Mr. Chairman, as it stands today, in my view, price control is a proven success. The job which the Congress assigned has been carried out and carried out extremely well. For its continuation, no significant change in the statutes is required.

I end the quotations from the record of the hearings. Every one of those quoted excerpts from the testimony applies not only to the amendment just considered, but also to the Bankhead amendment which is pending, and the other suggested Bankhead amendments which lie on our desks and as to which I assume the Senator from Alabama will press for action.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended, inserting a new section 201. On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD (when his name was called). On this question I have a pair with the senior Senator from South Carolina [Mr. SMITH]. Were he present, he would vote "yea." Were I permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senator from Montana [Mr. MURRAY] is detained in a committee meeting. I am advised that if present and voting, he would vote "nay."

The Senator from North Carolina [Mr. REYNOLDS] is detained in one of the Gov-

ernment departments on matters pertaining to his State.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senators from Nevada [Mr. McCARRAN] and Mr. SCRUGHAM are absent on official business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

The Senator from Arizona [Mr. HAYDEN] has a general pair with the Senator from North Dakota [Mr. NYE]. I am not advised how either Senator would vote if present and voting.

The Senator from North Carolina [Mr. BAILEY] is paired with the Senator from Rhode Island [Mr. GREEN]; the Senator from Nevada [Mr. McCARRAN] is paired with the Senator from Florida [Mr. PEPPER]; the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Illinois [Mr. BROOKS]; the Senator from Idaho [Mr. CLARK] is paired with the Senator from Virginia [Mr. GLASS]; and the Senator from North Carolina [Mr. REYNOLDS] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. I am advised that if present and voting, the Senators from North Carolina [Mr. BAILEY] and Mr. REYNOLDS, the Senator from Nevada [Mr. McCARRAN], the Senator from Illinois [Mr. BROOKS], and the Senator from Idaho [Mr. CLARK] would vote "yea," and that the Senator from Rhode Island [Mr. GREEN], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. TYDINGS], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], who would vote "yea," is paired with the Senator from Maryland [Mr. TYDINGS], who would vote "nay."

The Senator from North Dakota [Mr. NYE] has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], the Senator from Delaware [Mr. BUCK], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from North Dakota [Mr. NYE] and the Senator from Delaware [Mr. BUCK] would vote "yea," if present.

The result was announced—yeas 39, nays 35, as follows:

YEAS—39

Alken	Gillette	Reed
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Bilbo	Hill	Shipstead
Bushfield	Holman	Stewart
Butler	McClellan	Taft
Capper	McFarland	Thomas, Idaho
Caraway	McKellar	Thomas, Okla.
Chandler	Maybank	Weeks
Clark, Mo.	Millikin	Wherry
Connally	Moore	White
Eastland	O'Daniel	Wiley
George	Overton	Willis

NAYS—35

Ball	Gerry	Thomas, Utah
Barkley	Guffey	Tobey
Brewster	Gurney	Truman
Bridges	Jackson	Tunnell
Burton	Johnson, Colo.	Vandenberg
Chavez	Kilgore	Wagner
Cordon	La Follette	Wallgren
Danaher	Lucas	Walsh, Mass.
Davis	Maloney	Walsh, N. J.
Downey	Mead	Wheeler
Ellender	Murdock	Wilson
Ferguson	Radcliffe	

NOT VOTING—22

Andrews	Green	Pepper
Bailey	Hayden	Revercomb
Bone	Johnson, Calif.	Reynolds
Brooks	Langer	Scrugham
Buck	McCarran	Smith
Byrd	Murray	Tydings
Clark, Idaho	Nye	
Glass	O'Mahoney	

So the committee amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 13, after line 20, to insert:

SETTLEMENT OF DISPUTES UNDER RAILWAY LABOR ACT

SEC. 202. Section 4 of such act of October 2, 1942, is amended by adding at the end thereof the following new paragraph:

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

Mr. BARKLEY. Mr. President, now that the main "hump" of amendments has been disposed of, it seems to me entirely possible that we may conclude consideration of the bill today. I ask Senators to remain in the Chamber, or available, so as to cause as little delay as possible, in order that we may conclude the consideration of the bill before the close of the session today, even if we must remain in session a little longer than usual.

Mr. TAFT. Mr. President, I intend to speak on the general subject of the bill, rather than on the amendment reported by the committee, offered originally by the Senator from New York [Mr. WAGNER] exempting railroad labor from the provisions of the Stabilization Act.

As a member of the Banking and Currency Committee, I have joined in the report recommending continuation of the Office of Price Administration, and I concur in the general statement of the report. I wish to make clear at this time, as I did last week, that I do not concur in the supplemental statement and do not regard that statement as a part of the report. It presents a summary of

the evidence entirely from the Price Administration point of view, without any consideration of the pages of evidence received from those criticizing—and criticizing fairly and correctly in many cases—the policies of the Price Administration. With many of the conclusions of the supplemental statement, and many of the policies of the Price Administration, I emphatically disagree.

The fixing of all prices and wages by the Government can only be at best a complicated, arbitrary, and oppressive regimentation of the people. It involves Government control of a billion or more transactions every weekday of the year. It must necessarily limit freedom and choke all initiative and enterprise. Once it is undertaken, in order to make it effective and prevent evasion, control must extend to all kinds of practices and incidental activities. It could not be continued in peacetime without practically eliminating freedom in the United States.

Yet I believe in a war of the colossal size of the present war, we would be worse off without it than with it. Inflation of prices is always a danger in time of war because of the huge expenditures of the Government. Last year and this year our annual deficit exceeded \$50,000,000,000, and only the most strenuous efforts can prevent a dangerous increase in prices. Price control is not the only method of reducing this danger. The Government should reduce its expenses, but it is very difficult for Congress to restrain waste in time of war with the expenses controlled by officials whose attention is entirely devoted to the success of the war effort. The danger can be reduced by increasing taxes, but it is also true that too great an increase in taxes may do more harm to the national economy and the national morale than inflation itself. Whether we have reached that point is now in dispute.

Third, we can reduce the danger of inflation by selling bonds only for money that is truly saved, and not in large volume to the commercial banks to create additional deposits. Along this line real progress has been made, although we were very slow to follow it in the first years of the war.

Fourth, a system of drastic rationing may reduce demand and remove pressure on prices.

With all of these measures, however, I do not believe prices could be held within reasonable bounds without price fixing. Also, there are many war maladjustments which would normally, without the Government borrowing, result in spectacular price increases for particular commodities. Therefore, I believe that price control is necessary, much as I deplore it. Every witness appearing before the committee agreed with this conclusion, even though he himself may have been injured by the control.

In my opinion, while excessive inflation of prices is a real danger, that danger has been deliberately exaggerated as a justification for demands for arbitrary power. Reasonable and very gradual increases do not seem to me to be a serious threat. To a certain extent, even, increasing prices assist the creation of

prosperity. Prices, after all, are only an index, and if all increases were uniform, everyone would be in approximately the same position. The difficulty is that a rapid increase of prices distorts the relationship between different groups and interests in the population, creating bitterness and controversy, and throwing the whole economy largely into confusion. If uncontrolled, they increase rapidly the returns to the producers, including the farmer. They, also, increase business profits for processing and distributing, just as falling prices are likely to wipe those profits out.

Ordinarily, wages cannot keep up with the increase. Fixed salaries certainly cannot do so, and the relative return to savers and investors rapidly decreases. In extreme inflation all savings are wiped out. If controls are instituted, however, there is always some danger that they may be overdone. If wages increase faster than prices, there may well be a reduction in the production of goods, and also business losses which can bring depression and unemployment. If the war were to end today and the present drastic price policies of the Price Administration were continued, I believe they would seriously threaten any post-war recovery.

If Congress has once determined on the necessity of price control, the actual carrying out of that policy must be largely one of administration. Congress cannot fix the actual prices or write the details of regulations. It must grant discretion and legislative authority to the Price Administrator, just as it had to do the same thing in authorizing the Interstate Commerce Commission to fix railroad rates. Inevitably, the powers granted must be broad, and therefore they are capable of abuse, no matter what Congress may do. Furthermore, the whole process is so complex that mistakes are not only possible, but almost certain. Your committee received scores of serious complaints against the Price Administration, but found that attempts to delimit the powers of the Administrator in a statute were difficult to draft without limiting some powers which are clearly desirable if price control is to be effective. The existence of this situation is reason enough for abolishing price control at the earliest possible moment after the war.

No doubt many Senators have received complaints from their constituents, often very convincing in their sincerity and logic, but a large number of these complaints relate clearly to matters of administration. Congress cannot, and should not, undertake to correct all mistakes of administration by changes in the statutory law. Most of the amendments to the act proposed by your committee are intended to improve the procedural section of the act—I think all except the Bankhead amendment, which involves a question of fundamental price policy. We have tried to see that every man may have a fair and public hearing within the Price Administration, and an appeal to the courts against arbitrary and capricious action. This is the first essential and it is not met by the present act, or the actual practice.

The original acts, however, do contain certain fundamental principles which the

Administrator is bound by law to observe. The courts are given the task of seeing that he does abide by those principles, and if our procedural amendments are effective, departures from those principles can now be challenged by the men who are affected. The acts provide that maximum prices fixed shall be generally fair and equitable, and that rents shall be generally fair and equitable. As a starting point, consideration was to be given to the prices in effect from October 1 to October 15, 1941, and then later to those in effect on September 15, 1942. Prices fixed which are no longer fair and equitable become invalid and therefore must be adjusted so that they may be fair and equitable. The Emergency Court has so held over the protest of the Administrator. Individual adjustments may be made, even though the general price or rent scale is fair and equitable. Maximum prices for agricultural products cannot be below parity in general, and articles processed from such commodity cannot be priced below a figure which will reflect parity to the producer.

That means a fair and equitable margin to the processor over parity. If the Price Administrator abides by these general principles, there should be no unusual hardship caused to any producer, or distributor, by price control. The person aggrieved should be able to prevent such hardship by following the procedure prescribed in the act.

Unfortunately, the Price Administrator, in his administration of the act, has made many serious departures from the spirit of the act, and in some cases, from its language. It is my belief that this conflict with the policy prescribed by Congress grows out of the so-called freeze theory. There is nothing in either act which authorizes such a theory. The act requires prices to be fair and equitable, and to be constantly adjusted, if necessary, to secure that result. The freeze theory prescribes that they shall remain where they are, regardless of fairness or equity. The theory was frequently discussed, but was not finally adopted by the Administrator until the issuance on April 8, 1943, of Executive Order 9328. One of the purposes of this order, stated in its preamble, is "to prevent increases in wages, salaries, prices, and profits, which, however justifiable, if viewed apart from their effect upon the economy, tend to undermine the basis of stabilization." Incidentally, nothing in either act says anything about profits, and the Administrator has nothing to do with profits, except as the general profit condition of an industry affects the reasonableness of the prices charged.

Paragraph 1 of this order 9328 says further that the Price Administrator "is directed to authorize no further increase in ceiling prices except to the minimum extent required by law." In short, the Administrator is not to carry out the principles of fair and equitable prices, but only to increase prices if the courts compel him to do so. He is authorized by this order to make adjustments for various purposes "provided that such action does not increase the cost of living." This seems to mean that adjust-

ments can only be allowed producers if the increases are absorbed by the processor or distributor, and that increases can only be allowed the manufacturer if they are absorbed by the distributor. In short, the order conflicts with the principles of the acts of Congress, and goes far beyond the provisions of those acts.

The freeze theory, in my opinion, is unsound because it freezes wages and prices exactly where they are on a given date. It therefore freezes all injustices, low wages, unfair prices, and depressed industries. This might not be so bad if the injustices were not frequently increased, and new injustices created, by a steady increase in costs, particularly raw materials and wages, compelled by war conditions. For various reasons it is absolutely impossible to freeze all costs. Public opinion demands the adjustment of unduly low wages and farm prices. Sometimes increases are essential in order to obtain production. Wages cannot be frozen, and have not been frozen. On April 20, the Senator from Kansas [Mr. REED] wrote a very clear letter to Mr. Bowles, criticizing the statement that "basic wage rates have been firmly held" and showing that during the year 1943 the increase in the average hourly earnings of factory workers increased from 91.9 cents per hour to 100.1 cents per hour, an increase of nearly 9 percent. On March 15 this figure reached 100.6, an increase of about 8 percent since March 15, 1943. Yet during those 12 months the cost of living was held almost level.

This increase in average hourly earnings has occurred in spite of the Little Steel formula which purports to freeze wages. In fact, that formula only attempts to freeze basic wage rates, whereas the cost of labor is based on average hourly earnings. In my opinion, if the Little Steel formula were enforced, it would be unfair and unjust. Labor should not be held to an increase of 15 percent over January 1, 1941, when the cost of living has gone up 25 percent. All sorts of evasions have made possible the increases in real wages. Salaried employees and weak unions are held to this unjust limit, while concessions are made to the powerful unions. We saw in the coal case, and in the railroad case, how methods were found to evade the Little Steel formula in order to get the just result demanded by price conditions. At the present time steel workers are demanding a very substantial increase and the general impression is that, one way or another, they will get it. In short, the freeze policy is impossible to carry out.

It is furthermore true that in spite of the freeze policy during the last year, and the stable cost of living, some important raw materials have substantially increased. Thus, in 12 months the price of lumber has increased 8.7 percent; the price of coal has increased approximately 6 percent; and the price of cattle feed has increased 7 percent.

Those products enter substantially into the price of manufacturing and distributing, and yet the Price Administrator has refused to make any compensating increases in retail prices. His only

answer is that corporation profits are still large. This may be true in many lines, particularly those dealing with the Government, where they are subject to reduction by renegotiation; but this high average is of little interest to the particular businessman who is compelled to sell at a loss, or to the individual landlord who cannot increase rents to meet largely increased costs. In short, the freeze theory has been applied to the producer, the farmer, and businessman, but not to anyone else.

I should like to suggest that it is just as dangerous to get prices below wages, as it is to let prices increase more than wages. Since the beginning of the war prices have gone up 25 percent, whereas hourly earnings have gone up about 45 percent, and take-home pay has gone up approximately 70 percent. It is interesting to note that in England the cost of living has gone up 28 percent as compared to 25 percent, and wages have gone up to approximately the same percentage as here. In April, Sir John Anderson, Chancellor of the Exchequer, announced that the Government was going to permit the cost of living to go up 5 percent, because of the fact that wages were still increasing.

There is serious doubt whether the fixing of prices is not being overdone. The only reason that a number of industries have been able to continue is because of their increased volume. The moment that volume stops, they will either have to close down or prices will have to be increased. The increase must occur at exactly the same time as a decrease occurs in wages, at least in take-home wages. All of us are looking to private enterprise to reconvert their plants to peacetime production, seek new products and new capital in order to give increased employment. If the price policy is not relaxed, it will be very difficult to get any business to go ahead with the capital improvements necessary for increased employment. Furthermore, the capital-goods industry, on which so much depends, may be as dead as it became in 1937 when wages and other costs also outran prices. In my opinion, the Price Administration should hold prices as low as possible, but they should give industry and commerce a fair hearing and increase prices to compensate in some substantial part for increased costs. The whole relation of margins to price should not be destroyed merely because the more efficient firms are receiving profits of which the Government takes the lion's share. If wages cannot be held, price increases should be permitted in approximately the same percentage.

In my opinion, the determination of the Administration to hold the cost of living absolutely fixed at all costs has led to the adoption of numerous devices subject to the most serious criticism.

First. The payment of subsidies to compensate for increased costs, when prices should have been allowed to rise. While some subsidies are justifiable as a means of preventing a price increase on a large group of products, not requiring subsidy, or as a means of postponing price increases for a reasonable time, the effort

to hold all prices by a subsidy across the board to all consumers, saving consumers no more than the Government pays out, seems to me inflationary and unfortunate, except in exceptional circumstances.

Second. The administration has adopted a doctrine known as the highest price line regulation. This provides that a store which handled dresses, for instance, in a certain price range cannot sell dresses of any better quality. As prices increased, many stores found themselves wholly unable to sell dresses at all. The distinction seems to be utterly unreasonable, and, of course, it is ineffective in enabling the public to obtain dresses, or any other commodity, at a reasonable price. Since the administration asserts that, with all its powers, it has no way to hold merchants within reasonable margins on this line of goods, the committee did not adopt an amendment; but as an administrative measure the regulation seems to me illogical, ineffective, and indefensible.

Third. One of the most obvious failures of the Price Administration is in the field of cotton goods, the subject dealt with by the Bankhead amendment. In this field many low-priced articles have entirely disappeared from the market, for the reason that prices have been held so closely that they can only be manufactured at a loss. Thus, heavy underwear for men and boys, denim for overalls, and many other cheap articles have almost disappeared from the market, while many mills have made large profits on the more expensive items. Of course, it does not do the consumer any good to have a low price fixed for various kinds of cotton goods, if the goods are not available at all and he or she has to buy a much more expensive article. The obvious remedy seems to be an increase in the price of cheap goods and a decrease in the price of expensive goods. Inspired, apparently, by the freeze idea, however, Mr. Vinson has refused to make any increase in the price of the cheap goods, but has called on the War Production Board to order the mills to make these goods at cost, or less. In Mr. Vinson's directive of February 4 he says clearly that he shall hesitate to let any uniform increase be made to all producers on any textiles. Instead of that, he proposes to permit individual manufacturers, who would otherwise sell at a loss, to increase their own prices so that they may receive total unit production costs plus a profit not to exceed 2 percent. Any producer whose over-all operations are profitable is required to produce at cost, which perhaps may not even include overhead expenses, according to the same order. Mr. Vinson says that under any other method the cost to consumers will exceed the amount necessary to obtain the desired production, and low-cost producers would receive an unwarranted windfall. Mr. Vinson is out to prevent profits, even of the producer who makes profits because of extraordinarily efficient operation. The standard of fair and equitable prices has practically disappeared from his mind.

I may say that this order has been further extended, and in an order recently issued the theory of compelling

the sale of goods at less than cost is extended to a great many household goods such as household furniture, commercial kitchen utensils, office machines and equipment, dental and optical supplies, and several other large classes of products on which there is only permitted the recovery of the manufacturing, packing, and shipping costs of each item. If the manufacturer's entire operation is profitable, he cannot even include the overhead in the cost of those particular articles.

The whole theory that the Price Administrator can force manufacturers to sell certain lines at cost, or less than cost, because they are making profits on other lines, is absolutely contrary to the principles of the Price Control Act, and would lead ultimately to a fixing of individual profits, instead of to a fixing of prices. It does not secure increased production, nor does it effectively bring about reasonable prices to the consumer. The chief merit of the Bankhead amendment is that it would require each line of goods to stand on its own cost, with a fair and equitable margin.

Any rule which refuses to apply the fair and equitable rule to individual products creates great injustice between different firms in the same industry. Some firms may be forced out of business because they only manufacture a particular product, the price of which is so closely held down. Other firms may depend largely on such products. Still others may be practically unaffected. I voted for the Bankhead amendment because it proposes largely to upset this rule, at least in the textile industry, and require a fair and equitable margin for each product.

I might say that other orders have been issued extending this same no-profit rule to other fields. Thus, on April 13, 1944, it was extended to a long list of building materials and consumers' goods. In this case, it is said that the adjustment of a manufacturer's maximum price, if his entire operation is profitable, cannot exceed an amount sufficient to cover the unit manufacturing cost plus packing cost. Overhead is entirely eliminated.

Fourth. The result of this policy and the general unwillingness even to consider an increase in retail price, however much costs may have increased, threatens disaster in some industries. Evidence before the committee shows that many small packers and slaughterers in Buffalo, Cincinnati, and many other cities have had to close because they actually lose money on each steer they buy. The large packers are able to survive, but they state that they have made practically no money on their meat business. They, however, have many other products on which profits are ample. It is the small businessman who suffers most from a stringent policy of price control. We have extensive evidence from the asphalt roofing industry showing that concerns engaged only in manufacturing asphalt roofing are rapidly going on the rocks, whereas the large companies with a full line of products, are having little difficulty. I have already spoken of the underwear mills whose en-

tire product is now unprofitable. The committee had bitter complaints from the producers and distributors of fresh vegetables. More and more, as costs increase, other industries are going to find that it is almost impossible to continue in business.

Fifth. The result of these practices has been to roll back some prices on the farmer, particularly in the case of cattle, and in the case of cotton. In other words, the control of the price has been so close that parity is not paid for cotton and the price paid for cattle is inadequate certainly for many feeders.

Sixth. The policy with regard to rents has been harsh and inequitable. Rent control is one of the prides of the Administration because rents have been held practically without increase for 3 years. But this has only been done at the cost of hardship to many landlords, though not perhaps a large percentage of the total. Rents in each city were frozen as of a definite date. Since that time the Price Administration has refused to consider individual adjustments, no matter what the increase in costs may have been. They admit the duty of giving a general increase when costs have uniformly increased in a community, but I doubt if any such increases have been made. Nor should they be. Many landlords who rent entire houses have no increase in cost whatever. Rent adjustments should be an individual matter, and a landlord who has had substantial increases in coal and janitor service, for instance, is entitled to a fair hearing on his request for an increase in rent. Outside of a few special circumstances, however, this has been arbitrarily denied by the Administrator. The Administration apparently feels that landlords are comparatively few in number and that tenants are many. I offered an amendment in the committee to require individual adjustments in proper cases. I withdrew it on the suggestion that the Price Administrator might change his present practice by regulation, as he may. A regulation has been submitted, and I hope it may be sufficient.

When the question of rent comes before the Senate I intend to put into the Record the regulation which the Administrator has suggested, in order that the Senate may determine whether they think it removes the hardships of present regulations.

Seventh. From my own investigations and correspondence I have found an attitude among many employees of the Price Administration of direct hostility to businessmen. Many of these employees seem to think that a businessman who asks for a reasonable profit, so that his business may go on, is in some way unpatriotic. In the past, complaints have been ignored for months. Interviews with those in charge seem to promise relief, but relief is blocked at some higher level, and more and more is heard of the iniquity of any profit whatever. Furthermore, the enforcement division includes many individuals whose interest seems to be to destroy business rather than to secure compliance. The conditions to which I have referred have been considerably improved since Mr. Bowles

became Price Administrator, and he does not countenance any such attitude, but the attitude is still present to an extent which leads most businessmen to feel that justice cannot possibly be secured within the Price Administration.

Kangaroo courts have been set up outside of any provisions of the law to try violators of the ration regulations issued under the Second War Powers Act. Many retail firms have been prosecuted and sued for damages. In northwestern Ohio an auctioneer who conducted a sale of all the effects of a farmer who was selling out was sued, and a judgment obtained for \$3,600, enough to put him out of business completely. This resulted in a petition of protest signed by 2,700 citizens of the county where the sale took place.

I do not underestimate the difficulty of enforcing price regulations. It is quite true that deliberate evasion is occurring in many places throughout the country, but the methods of the Price Administration Enforcement Division do not secure compliance, and only make the situation worse. The only way to secure compliance with this kind of regulation is to make the regulations reasonable, and secure the approval and cooperation of 90 percent of the people who are involved. Once that is done, they will police the other 10 percent. This was the method pursued by the Food Administration in the World War. Cooperation of every trade and every group was the first step. Congress filled the present law with provisions for trade committee consultations and agreements. For a long time the provisions of the law were in no way complied with. Mr. Bowles has made an improvement, but the idea has not permeated the lower reaches of the O. P. A., and particularly its Enforcement Division. The only cooperation successfully secured is that of a few consumers groups and the C. I. O. Political Action Committee. These groups have adopted the same anti-business attitude as the Enforcement Division itself.

Eighth. The tactics of the O. P. A. in dealing with the pending bill do not seem to me calculated to improve the situation. They have fought every attempt to modify in any way the drastic provisions of the Emergency Price Act. They have taken the position that there should be no amendments, and that any amendment will hamstring the enforcement of the act. This is simply untrue. Very few of the amendments affect in any way the basic policy of price control. Their purpose is to correct substantial injustice to individuals which have been made clear in evidence before the committee.

Day before yesterday Mr. Vinson issued a protest against the Bankhead amendment, calling it a "devastating blow at the stabilization policy, a special bonus at the housewife's expense." He and Mr. Bowles have referred to lobbyists and pressure groups, and try to give the public the impression that Congress is swayed by improper motives, if they make a single concession. The representatives of interested groups appeared openly before our committee. There

was hardly one who did not impress us with his sincerity. Many undoubtedly consider that they will be put out of business if the present policies of the Price Administration are continued. Their lobbying has been considerably less than the lobbying of the C. I. O. Political Action Committee, stimulated by the Office of Price Administration.

Ninth. I have already referred to the apparent attempt of the Office of Stabilization to cut business profits to a minimum or eliminate them entirely. In 1943 the Office of Stabilization repudiated a promise made by the Price Administrator to the canners that they would be compensated by subsidies for any increase in the cost of labor granted by the War Labor Board. On this question of profits they have departed even from the policy laid down by Mr. Henderson when he testified for the original Price Control Act. He referred to "the general philosophy of price regulation as being one intended to keep production going, and therefore to yield a decent profit." Of course, a just and equitable price does not guarantee a profit to inefficient members of any industries, or those unfortunately placed, but the attempt to prevent any company, no matter how efficient, from securing the reward of that efficiency is not a function of price administration. Congress should determine what proportion of such profits are to be taken by taxation.

Conclusion. I regard these abuses as abuses of administration, except for the Bankhead amendment and the questions of procedure. It is difficult to correct them by legislation. We have offered amendments designed to reach some of the worst abuses, and particularly to give every man an open hearing and his day in court. The Bankhead amendment is the only amendment which attempts to control policy. It is an experiment, but it restores a policy which worked satisfactorily at one time, and it operates in a field where there has been a complete failure since that policy was abandoned. If properly administered, it could reduce costs to the consumer instead of increasing them, and get to the consumer the goods which he is not getting now.

The difficulty with O. P. A., as I see it, is that it is still crusading for the ideal of freezing all retail prices. It seems to believe that this end justifies the use of any means. It thinks it has a mission superior to individual rights and a special license to regulate as it chooses millions of transactions every day. The Executive order should be modified to be in accord with the principles of the acts of Congress.

I have every confidence in the good faith of Mr. Bowles, but not so much confidence in the political and economic theories of his advisers. The O. P. A. can be a success if he will accept, as the first principle of administration, a deep respect for American principles of right and justice administered within the provisions of the Emergency Price Control Act as enacted by Congress.

Mr. WILEY. Mr. President, at this point I desire to call up my amendment, which is at the desk.

Mr. WAGNER. There are only two more committee amendments, which I should like to have disposed of.

Mr. WILEY. I understand that under the rule I must, if I desire to bring this amendment up, do so at this time, because it proposes to amend section 202. It will take only a moment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 13, line 24, it is proposed to change the word "paragraph" to "paragraphs", and insert the following:

No action shall be taken under authority of this act with respect to an increase in any wages or salaries in any case in which such increase has been agreed upon by the employer and employee and will not result in the payment of wages or salaries at a rate greater than \$37.50 per week. For the purpose of the preceding sentence, if the employee ordinarily works overtime and extra compensation is paid therefor, such extra compensation shall be included in determining the rate of wages or salaries paid.

Mr. WILEY. Mr. President, I have submitted the amendment to the distinguished senior Senator from New York, and, as I understand, he is perfectly willing to take it to conference. All the amendment provides, in substance, is that in those cases in which the ordinary white-collar workers or laborers throughout the country receive less than \$37.50, and where the employer and employee agree, it will not be necessary to present a petition for the right of the employer to pay up to that amount. There are millions of such cases, as I have previously stated, and many thousands of petitions are in the Chicago office, and in some instances have been there for months not acted on. These white-collar workers have no organization to represent them in Washington, but that is no reason why they should not have justice. The adoption of this amendment will relieve the War Labor Board of 75 percent of the labor involved in wage increases. It is the white-collar workers of America who have suffered most due to the rise in living costs. I am very happy that the senior Senator from New York has agreed to take the amendment to conference.

The PRESIDING OFFICER (Mr. JACKSON in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY] to the committee amendment on page 13, after line 20.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. I have an amendment in the nature of a new section to the bill. My inquiry is whether it is proper to offer that amendment before action is completed on the committee amendments.

The PRESIDING OFFICER. The Chair asks the Senator whether his amendment constitutes a new section.

Mr. THOMAS of Oklahoma. Yes; it will come into the bill as a new section.

The PRESIDING OFFICER. The Chair then rules that it is not proper that the amendment be offered until all committee amendments are disposed of.

The next committee amendment will be stated.

The CHIEF CLERK. The next amendment of the committee was, on page 14, after line 15, to insert the following:

TERMINATION DATE

SEC. 203. Section 6 of such act of October 2, 1942, is amended by striking out "June 30, 1944", and substituting "December 31, 1945."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next committee amendment was on page 14, after line 19, to insert the following:

LOAN RATE FOR AGRICULTURAL COMMODITIES

SEC. 204. (a) Section 8 (a) (1) of such act of October 2, 1942 (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out "at the rate of 90 percent of the parity price" and inserting in lieu thereof "at the rate of 95 percent of the parity price." The amendment made by this subsection shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this subsection takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this subsection had been in effect at the time the loans were made.

(b) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), is amended by striking out "90 percent" and inserting in lieu thereof "95 percent." The amendment made by this subsection shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. BUTLER. Mr. President, I had intended to ask that some Senator in a word or two explain the committee amendment before the vote was taken. What would the amendment accomplish?

Mr. BARKLEY. The amendment would merely change the loan value from 90 percent to 95 percent of parity.

Mr. BUTLER. My understanding was that it was proposed to leave it at 90 percent.

Mr. BARKLEY. No; I think the Senator misunderstood. It is a committee amendment agreed to by the committee, and there was no desire to change it, so far as I know.

Mr. THOMAS of Oklahoma. Mr. President, if it is now in order I offer an amendment in the form of a new section to the bill.

Mr. MOORE. I suggest the absence of a quorum.

Mr. STEWART. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEWART. Have all committee amendments been disposed of?

The PRESIDING OFFICER. All committee amendments have been disposed of, and the bill is now open to further amendment.

Mr. MOORE. Mr. President, I have suggested the absence of a quorum.

The PRESIDING OFFICER. Does the senior Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and called Mr. AIKEN's name.

Mr. STEWART. Mr. President, before the clerk proceeds to call the roll I wish to ask the senior Senator from Oklahoma if he will yield for a moment. I wish to call up an amendment by unanimous consent, which I understand will be accepted. I wish to have an opportunity to present the amendment at this time. I do not wish to wait until the roll call has been completed. I do not desire to prevent a roll call, but I ask unanimous consent that I now be permitted to call up an amendment which I understand is acceptable to all concerned.

The PRESIDING OFFICER. Does the senior Senator from Oklahoma yield so the junior Senator from Tennessee may present his amendment?

Mr. THOMAS of Oklahoma. I yielded so the junior Senator from Oklahoma could suggest the absence of a quorum. If I have the privilege of yielding for the purpose I shall be very glad to yield to the Senator from Tennessee so he may submit his amendment.

Mr. STEWART. Mr. President, if the amendment is not accepted by unanimous consent I shall withdraw my request.

The PRESIDING OFFICER. Does the junior Senator from Oklahoma withhold his suggestion of the absence of a quorum?

Mr. MOORE. Yes.

Mr. WHITE. Mr. President, had not the clerk begun to call the roll? It seems to me that when a roll call has been begun it must be completed, after which if the senior Senator from Oklahoma desires to yield to the Senator from Tennessee he can do so.

Mr. STEWART. I thought I addressed the Chair before the roll call was begun.

The PRESIDING OFFICER. The Chair is informed that the clerk had begun to call the roll, but that there had been no response to the call, and the junior Senator from Oklahoma has withheld his suggestion of the absence of a quorum.

Does the senior Senator from Oklahoma yield to the Senator from Tennessee?

Mr. THOMAS of Oklahoma. I yield. The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. STEWART. Mr. President, I offer my amendment, which was ordered to lie on the table the other day and to be printed. I ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of title II of the bill, it is proposed to add the following section:

SEC. 205. Section 3 of the act of October 2, 1942 (Public Law 729, 77th Cong.), is hereby amended by adding a new paragraph to read as follows:

"PERISHABLE COMMODITIES

"Whenever a maximum price is established on any fresh fruit or fresh vegetable, including potatoes, adequate allowances shall be made for hazards of production and marketing of such commodities throughout the crop year, including increased costs due to crop losses which have resulted or may result from such hazards. If a maximum price has been established on any such commodity, the Price Administrator shall take immediate action to review and increase such maximum price from time to time by making further allowances to the extent necessary to compensate for subsequent substantial changes in such conditions including substantial reductions in merchantable crop yields."

Mr. WAGNER. Mr. President, before the question is put on agreeing to the amendment of the junior Senator from Tennessee [Mr. STEWART], I wish to discuss it.

I personally see no objection to it. I suggest that it may go to conference. If it should develop that there is some serious objection to it by the O. P. A., I am sure the Senator from Tennessee will permit the conference to consider that question.

So I do not object to the amendment.

Mr. STEWART. I am willing to accept on those terms. Of course, Mr. President, I should wish to have the amendment insisted upon in the conference, if it is agreed to by the Senate. I should want the conferees to insist upon having it remain in the bill.

Mr. WAGNER. Of course, that would be done.

Mr. STEWART. But I can see no serious objection which the O. P. A. would offer to it. In the main it is a declaration of policy. It affects only fresh fruits and vegetables, perishable commodities. The amendment itself, as read, is self-explanatory.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

The PRESIDING OFFICER. Does the Senator from Oklahoma renew the suggestion of the absence of a quorum?

Mr. MOORE. Mr. President, I am informed that more Senators have entered the Chamber since I first suggested the absence of a quorum. So I withdraw the suggestion of the absence of a quorum.

Mr. THOMAS of Oklahoma. Mr. President, I offer my amendment which now lies on the table.

The PRESIDING OFFICER. The amendment will be stated, for the information of the Senate.

The CHIEF CLERK. At the proper place in the bill, it is proposed to add the following:

SEC. 206. That notwithstanding the provisions of law no agent, bureau, or department of the Government shall be authorized to fix, establish, or maintain any price ceiling on crude petroleum below 90 percent of the parity price per barrel as shall be determined by the application of the parity law "In the case of all kinds of tobacco except burley and flue-cured" (par. (1) of (a) of sec. 301 of subtitle A of title III of Agricultural Adjustment Act of 1938, as amended): *Provided*, That the provisions of this paragraph shall be applicable to effect an average price of the various grades of crude petroleum throughout the United States at 90 percent of parity as above defined: *And provided further*, That the Director of the Office of Price Administration shall proceed immediately to adjust the ceiling price per barrel for such crude petroleum in the various grades and the refined products thereof and derivatives therefrom in harmony with the provisions of this paragraph.

Mr. THOMAS of Oklahoma. Mr. President, the amendment is proposed as a new section to the bill. It has to do with crude petroleum, commonly called oil. At the present time oil is priced at 64 percent of the parity price.

At this time I wish to call attention to the relative prices for other products which are used by the people of the country. For example, the price of grain stands at 129 percent of the parity price; the price of livestock and poultry stands at 123 percent of the parity price; the price of fruits and vegetables stands at 126 percent of the parity price; the price of shoes stands at 126 percent of the parity price; the price of hides and skins stands at 111 percent of the parity price; the price of clothing is now 107 percent of the parity price; the price of cotton goods is now 113 percent of the parity price; the price of woolen and worsted goods stands at 112 percent of the parity price; the price of bituminous coal stands at 120 percent of the parity price; the price of coke stands at 130 percent of the parity price; the price of motor vehicles stands at 112 percent of the parity price; the price of building materials stands at 115 percent of the parity price; the price of lumber stands at 153 percent of the parity price; the price of drugs and pharmaceuticals stands at 220 percent of the parity price; the price of cattle feed stands at 159 percent of the parity price; and the price of petroleum stands at 64 percent of the parity price.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Will the Senator please state the source or the authority for the figures he has cited?

Mr. THOMAS of Oklahoma. The figures were issued by the Bureau of Labor Statistics. The system used by the Bureau of Labor Statistics is generally recognized, and embraces some 900 commodities. It is based on 100 percent. That 100 percent was the average price of each of those commodities during the year 1926. So when I give these figures

as being above the parity price, that means the present price of the commodity is that much above its average price in 1926.

Mr. President, I am supporting the proposal to extend the price-control legislation. At the same time, let me say that I voted for the cotton amendment.

I shall vote for other amendments, if they are offered, to adjust the prices among the various commodities, to the end that all our people and all the products of their labor shall be treated comparably and equally. That is the only reason why I offer this amendment at this time.

The producers of oil are forced to sell their product at 64 percent of the parity price, notwithstanding the fact that they have to pay more for labor, for drilling, and for everything they buy. Yet they are permitted to sell their product at only 64 percent of what the average price was in 1926. Mr. President, I contend that is an injustice and a hardship on the producers of oil throughout the entire United States.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. When the Secretary of the Interior, as Oil Administrator, I believe, recommended an increase of 35 cents a barrel in the price of oil, I felt that recommendation had much merit. Frankly, I regretted that it was not adopted, because I did not feel at the time that it would be reflected in any great injustice to the users of the refined products of oil, such as gasoline, motor oil, and other petroleum products. That recommendation was disapproved on the ground that, while some producers of oil needed the increase, there were others who did not need it.

An approach to the problem was being sought, and, as I understand, is now being sought, on the theory that some sort of adjustment which will benefit those who need it, without benefiting those who do not need it, can be worked out. Let me inquire what effect the Senator's amendment would have on that situation. Does it provide for a general increase for all producers of all grades of oil in the United States?

Mr. THOMAS of Oklahoma. The answer is that it does.

Mr. BARKLEY. Of course, the Senator knows there are different grades of crude oil. I presume that the oil which brings the highest price is Pennsylvania oil, which has always brought a higher price in the market than almost any other oil, on the ground that it contains a higher content of gasoline and other petroleum derivatives.

In my State we have had a grade of oil known as Somerset light, which we have always felt merited as high a price as any other oil in the country, because of its content. But it never has been accorded that price. That oil is now bringing \$1.43 a barrel. It has been bringing that price for practically the last year.

I can recognize that there is a difficulty growing out of a general, across-the-board increase in the price of oil,

which probably would benefit some companies which do not need it, whereas there are many companies and small organizations which do need it. Can the Senator tell me whether under his amendment the O. P. A. would be required, in connection with the increase in the price of oil, to give all persons the same increase, or could the O. P. A. graduate the increase and work out an adjustment according to the price of oil and the needs of the individual producers or the producers of a particular type of oil?

Mr. THOMAS of Oklahoma. Mr. President, I desire to explain the amendment and how I think it will operate. I wish to reason with Senators. I do not contemplate making a speech, but shall be glad to answer any questions.

With respect to Pennsylvania oil, let me say it is a very high quality oil. I do not think it has any great quantity of gasoline in it; but it is the highest quality of oil for lubricating purposes, and for that reason it now sells for approximately \$3 a barrel, which is evidence that it is an oil of high quality. My amendment would not affect the Pennsylvania production.

I shall state the facts respecting oil. The large companies produce oil and refine it, and sell the refined products. So the larger companies are not interested in the price of crude oil. If they were interested, they would want to buy it as cheaply as they could; because if they do not produce enough oil to serve their refineries, they must go into the open market and buy sufficient oil to serve their refineries. So the large companies are not interested in having the price of oil increased. They would prefer, so I am advised, to have the price of oil decreased, because they produce the oil and refine it, and sell the refined products; and what they receive is what is paid for gasoline, lubricating oil, fuel oil, and other refined products of oil.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Those same companies do produce oil; do they not?

Mr. THOMAS of Oklahoma. They do, but they refine it.

Mr. BARKLEY. My question was not properly framed. Let me ask the Senator whether they buy some oil? They do, do they not?

Mr. THOMAS of Oklahoma. They buy oil only when they need it in order to keep their refineries in operation. The large companies not only produce the oil they regularly need for their refineries, but they also have oil stored in the event they should need it in an emergency. So, Mr. President, the amendment is intended to help the little fellow.

Personally, I have taken this matter up with the O. P. A. and with Mr. Vinson. For some reason, which no doubt is good enough for themselves, they have refused to give any favorable consideration to an increase in the price of oil.

There are in the country a very large number of oil wells called stripper wells. Some of those wells produce as little as a gallon of oil a day. Of course, others produce more. The wells which produce

the smaller amounts of oil are called stripper wells. In my State of Oklahoma there are 53,000 so-called stripper wells which produce less than 5 barrels of oil a day. Those small wells cannot continue producing at the present price.

The standard price of oil throughout the country is \$1.17 a barrel; that is for oil of 36° gravity. Oil is gaged in value according to gravity. Some other liquids are gaged by proof, but oil is gaged by gravity. Oil of 36° gravity sells for \$1.17 a barrel, and the higher percentages sell for more. The lower percentages sell for less. This amendment relates to the standard grade of 36° gravity. If this amendment should be adopted, oils of greater than 36° gravity would sell for more than the price contemplated by the amendment. Oils of less than 36° gravity would sell for less than the parity price.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILEY. How much a barrel would the proposed parity price be? The Senator states that the present price is \$1.17.

Mr. THOMAS of Oklahoma. At the present time some oils sell for as little as 75 cents a barrel. The lower grades—grades which have a large asphaltic content, for example, and consists almost entirely of tar or refuse—sell for less than that.

Mr. WILEY. Under the terms of the Senator's amendment, what would the price of \$1.17 become?

Mr. THOMAS of Oklahoma. If my amendment should be adopted, the parity price on oil fixed by the amendment would be \$1.83 a barrel. The price of oil would be raised to 90 percent of parity, and the amendment states a parity formula.

The parity formula is a tobacco formula. Some may wonder why I selected a tobacco formula. The reason why the regular formula was not selected was that during the period from 1909 to 1914 not much oil was produced throughout the country at large. Oil was produced in Pennsylvania, but the large production of oil has been brought about since 1914. So, we do not have accurate records of either the production of oil or the price of oil in that early period. So that period is not a good one for basing the price of oil. I have taken the tobacco formula because it is based upon the period from 1919 to 1929, at a time when there was a large production of oil, and at a time when we had complete records of oil production and oil prices. The average price of 36° gravity oil from 1919 to 1929 was \$1.63 a barrel. So, under this amendment that becomes the base price for oil. The tobacco formula is based upon those years.

The tobacco formula is divided into two parts. One is for flue-cured and burley tobacco, and the other is for the common form of tobacco. I selected the lower of the two. I did not select the highest formula, that for flue-cured and burley tobacco, because the index num-

ber is 140. The index number for the common form of tobacco is 109.

So, I select a period which is definite, and I take the average price for that period, under the lowest formula which is now in use, namely, the formula applicable to the common grade of tobacco. So, if the amendment is adopted, we shall have a definite formula which cannot be misconstrued. It is in use, and it is applied every day to the common form of tobacco, wherever tobacco is grown. My amendment, if adopted, would establish a basic price for oil of \$1.63 a barrel. Applying the formula, multiplying the basic price by 109 gives \$1.83 as the present parity price for oil. I am not asking that the ceiling price be raised to 100 percent of parity. I place it at the loan value on farm commodities, or 90 percent of parity. So, if my amendment should prevail, the parity price of oil under the amendment would be raised to \$1.83.

Then I provide that neither the O. P. A. nor any other agency of the Government may fix a ceiling price on oil below 90 percent of parity.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I am seeking information about the effect of the Senator's amendment. When he speaks of a ceiling of \$1.83, is he speaking of an average over-all ceiling?

Mr. THOMAS of Oklahoma. Under this amendment the parity price would be fixed at \$1.83.

Mr. BARKLEY. I mean the parity price. What effect would that have on oil which is now selling at \$1.43?

Mr. THOMAS of Oklahoma. It would raise the price of such oil.

Mr. BARKLEY. To what point?

Mr. THOMAS of Oklahoma. I have not computed it; but oil selling at \$1.43 has a certain gasoline content. It has a higher quality than 36-degree gravity oil.

Mr. BARKLEY. It has a higher quality than oil now selling for \$1.17, does it not?

Mr. THOMAS of Oklahoma. Yes. So if this amendment should be adopted it would raise the price of the \$1.43 oil to approximately 20 or 25 cents above the price of \$1.83 fixed in the amendment. It would raise the price of such oil to a point above \$2 a barrel.

Mr. BANKHEAD. What is the present price?

Mr. THOMAS of Oklahoma. The common brand of oil is selling on the market for \$1.17, which is the average price.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. As I understand the Senator's amendment, the effect of it would be to raise the parity price of oil which is selling for \$1.17 a barrel to \$1.83, and the Senator's amendment would provide that the ceiling be fixed at not less than 90 percent of that amount.

Mr. THOMAS of Oklahoma. That is correct.

Mr. McCLELLAN. Which would be \$1.65, or an increase of 48 cents a barrel on the \$1.17 oil.

Mr. THOMAS of Oklahoma. If the Senator's figures are accurate, he has stated the correct theory.

Mr. President, the amendment is very simple. It cannot be misconstrued. If it should be adopted, the Administrator could not make a mistake, because very shortly he would figure out the base price, and that would be carried indefinitely. All one would have to do at any time to find the parity price for oil would be to call up the Department of Agriculture and find out what the index number was on common tobacco. If it were 110, he would multiply the base price by 110. That would give him the parity price for that quality of oil. Figuring 90 percent of that would give the ceiling below which neither the O. P. A. nor any other agency of the Government could go. The amendment would not require the O. P. A. to put the price up to the full amount, but it could not be put below 90 percent of parity.

The O. P. A. froze the price of oil as it was found back in 1942. It was very low, because at that time there was a large production and a large amount of oil was in storage. Now conditions are different. We are using up our storage. We are now using four and a half million barrels of oil a day. Each day four and a half million barrels of oil are required to supply the demand. Seven barrels of crude oil are required to make one barrel of high-test aviation gasoline. Last year 127,000 airplanes were made for the war effort. In addition to furnishing gasoline for our own planes we are furnishing gasoline for the British planes, the Russian planes, and if there are any other planes, we are furnishing gasoline for those. So the present demand for gasoline is heavy.

Likewise the demand for other things made from oil is heavy. The demand for gasoline for domestic use is heavy. The demand for the lower grades of gasoline for trucks, tanks, and cars on the battle front is also heavy. The demand for fuel oil is heavy. At the present time sufficient oil is not being produced to supply the demand. I do not mean by that statement that there is today a shortage of oil, but the quantity of oil being produced is decreasing. Formerly we produced more new oil than we used, and as a result we had a vast amount of oil above ground. At the present time the experts know of only 20,000,000,000 barrels of oil on which they can place their fingers. That number of barrels of oil now represents the present supply in America. More than a billion and a half barrels of oil a year are now required to meet the demands of the United States. Divide 20,000,000,000 barrels, the total present supply, by a billion and a half, the amount consumed each year, and it will be seen that we have a reserve which will last only about 12 years.

The question is, Shall we keep down the price of oil to \$1.17 a barrel, when the price of labor and machinery is higher than it has ever been, and when such

condition will mean a decrease in the amount of wildcat drilling and a decrease in the amount of oil to be discovered?

The record shows that as the price of oil goes up more drilling is done. In 1920 oil was selling for \$3.07 a barrel. In recent years the price of oil has been declining. As it has declined those who prospect for oil have ceased their prospecting, and of late there has been little drilling compared to that which was formerly done.

So, Mr. President, I offer this amendment in order to stimulate prospecting and drilling for oil. It would have the tendency of promoting such activity. If prospecting and drilling are not carried on we may be confronted with the same condition which existed with respect to rubber at the time of Pearl Harbor in 1941.

Mr. McCLELLAN. If my calculation is correct, an increase of 48 cents a barrel would be on the basis of the same quality of oil which for the past year the Petroleum Administrator for War has been insisting should be increased in price 35 cents a barrel.

Mr. THOMAS of Oklahoma. The Senator is correct. The amendment is of such a nature that it would work automatically. The recommendation made recently by the Petroleum Administrator for War was an arbitrary recommendation of an increase of 35 cents a barrel for oil, without regard to where it came from.

Mr. President, I do not desire to take up the time of the Senate needlessly. If there are any questions I shall be glad to try to answer them.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURDOCK. Has the Senator computed what the cost would be if the amendment were adopted, based on our present consumption of crude oil?

Mr. THOMAS of Oklahoma. I may say to the Senator that the calculation is not based upon the consumption of crude oil.

Mr. MURDOCK. Has the Senator figured what the total cost would be on the basis of our present consumption?

Mr. THOMAS of Oklahoma. No; I have not made such a calculation, although it could be made. I assume that if we should run out of oil to the same extent that we ran out of rubber we would be very much embarrassed. Having now on hand only a 12-year supply, it seems to me that it is high time to do something about increasing the discovery of oil, if it can be done, and such objective is the purpose of the amendment.

Mr. MURDOCK. Does the Senator believe that discoveries would be very materially affected by a general increase in the price of crude oil?

Mr. THOMAS of Oklahoma. In answer to the question, I may say to the Senator from Utah that I hold in my hand a booklet containing approximately a hundred pages. It represents a compilation of the hearings on the oil situation which were held last year by the Committee on Appropriations.

On page 34 of this booklet I find a table which was prepared by the Oil Institute. It shows the production of oil from 1909 to 1942. In 1920 there were 40,163 wells placed in operation. That was at a time when oil was selling at \$3.07 a barrel. More oil wells were brought in during that year than had ever before been brought in in any one year. In other words, during the year in which the highest price was paid for oil, the largest number of wells were brought in. In 1920 the number of productive oil wells drilled during the year was 24,278. That was the largest number of new wells ever drilled in any one year. So I submit, in answer to the Senator's question, that the record shows that when oil was being sold at \$3.07 a barrel, more oil wells were brought in than had ever been brought in in the history of oil production.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. A while ago I spoke of Somerset light oil produced in my State selling for \$1.33 a barrel. That same oil sold at the conclusion of the last war for \$3.50 a barrel. Other oil throughout the country sold at slightly higher prices than those prevailing at the present time. As I recall, the price of gasoline to the consumer at the time to which I have referred was not much higher than it is now. Of course, there is this difference to be considered: Taxes on gasoline are now higher than they ever were before. At the time to which I have referred taxes on gasoline were practically nothing. The Federal Government had not yet entered into its program of taxing gasoline, and the States had not increased their gasoline taxes to any great extent, all of which accounts for the fact that gasoline now sells almost as high, considering the lower prices for crude oil, as it did back in the 1920's when crude oil was selling at a much higher price. Does that statement constitute a legitimate analysis of the relative difference between the present price of gasoline and oil and the price in effect during the period which I have mentioned?

Mr. THOMAS of Oklahoma. I think it does. Of course, labor costs are now higher than they were during the former period. The State taxes on gasoline are higher now than they were then, and at that time there was no Federal tax whatever on gasoline. All those items must be added to the total cost which the consumer has to pay.

Mr. BARKLEY. If the Senator will yield further, allow me to ask him this question: Suppose that the price of \$1.17 oil should be raised under the Senator's amendment to \$1.83, and that the price of the \$1.43 oil should be raised to approximately \$2, what would be the reflected difference in the price of gasoline to the public?

Mr. THOMAS of Oklahoma. It would be from 1 to 3 cents a gallon, according to the estimate of the refiners. Of course, the cost of gasoline to the consumer would be increased.

Mr. BARKLEY. When the Senator speaks of from 1 to 3 cents a gallon, does

he mean that some grades would be increased 1 cent and other grades would be increased three?

Mr. THOMAS of Oklahoma. With reference to that point, I am not in position to be definite.

Mr. BARKLEY. The increase would be the same regardless of the grade of oil from which the gasoline was refined, would it not?

Mr. THOMAS of Oklahoma. There are different brands of gasoline.

Mr. BARKLEY. Yes; but frequently more than one brand comes from the same grade of oil.

Mr. THOMAS of Oklahoma. At the present time the wholesale price of gasoline is 6 cents a gallon. The premium grade, which means a higher quality of gasoline, sells for 6½ cents at wholesale. There are 42 gallons of oil in a barrel. The refiners are able to obtain on the average 18 gallons of gasoline from 1 barrel of oil. It has been estimated by the refiners with whom I have talked that the price of the cheaper grades of gasoline would perhaps not be raised as much as the price of the higher grades. On the market it is possible to obtain various grades of gasoline. During ordinary times a person could buy at a filling station low or high quality gasoline. Some of the well-known brands of gasoline have cost 2 or 3 cents a gallon more than the cheaper brands.

Mr. President, in further answer to the question asked by the Senator from Utah, I wish to place in the RECORD the following information which shows the trend of exploratory drilling results.

In 1938 there were 6,442,000 barrels of new oil discovered. That was oil coming from wildcat wells.

In 1939 the volume dropped to 4,209,800.

In 1940 it had dropped to 3,129,000.

In 1941 the drop was down to 717,700 barrels.

In 1942 it was 643,000 barrels.

In other words, during a period of 5 years the production of new oil had fallen from more than 6,000,000 barrels a year to less than 1,000,000 barrels a year.

Mr. VANDENBERG. Did not priorities on steel have something to do with that, along with the price?

Mr. THOMAS of Oklahoma. No. It is my understanding that there is no difficulty in obtaining priorities for the development of new oil fields. It is not possible to get them for drilling in old territory, but for approved new fields no priority has been required. The War Production Board realizes the importance of new production, and it has made it easy. The trouble is that the price of oil is so low that men who have money will not risk it, and those who do not have money simply cannot drill.

The next list I wish to place in the RECORD is that showing the total number of wells completed during the period 1937 to 1942.

In 1937 the total number of oil wells completed was 22,481.

In 1938, it was 18,544.

In 1939, it was 17,687.

In 1940, it was 19,225.

In 1941, it was 19,472.

In 1942, 2 years ago, it fell to 10,954.

The next table I wish to have in the RECORD shows the amount of production from these wells.

The average initial oil production, in barrels daily, for all the wells completed, was as follows:

In 1937, 24,222.121.

In 1938, 16,872.701.

In 1939, 10,512.729.

In 1940, 10,227.178.

In 1941, 8,822.500.

In 1942, 2,841.300.

The average initial production per well was as follows:

In 1937, 1,077 barrel;

In 1938, 909 barrels.

In 1939, 594 barrels.

In 1940, 532 barrels.

In 1941, 453 barrels.

In 1942, 259 barrels.

The trend in the decline is positive. Fewer wells are being drilled, smaller fields are being found. It seems to me that precaution should be taken, and that something should be done to stimulate exploration in an attempt to find more oil.

The record further shows that the higher price will accomplish that result, and for that reason I have offered the amendment to increase the parity price, and then to provide that no agent of the Government may fix a selling price on oil below 90 percent of parity. I submit the amendment for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. CONNALLY. Mr. President, I do not care to take up much of the time of the Senate on the pending amendment. The Senator from Oklahoma has outlined very clearly the important considerations involved. Primarily, the purpose is to stimulate the production of oil. That involves, incidentally, a slight increase in the price of petroleum.

I happen to be a member of the special committee the Senate has appointed to investigate the entire oil situation, under the able chairmanship of the Senator from Connecticut [Mr. MALONEY], and if the Members of the Senate could have heard the testimony which has been adduced before the committee, they would realize that oil has become a world product, and now that all the nations of the earth are reaching out, and after the war the contest will be much more vigorous, to get command of the oil resources of the world.

The Oil Administrator, Secretary Ickes, as Senators know, on two or three separate occasions has made a thorough survey of the oil situation with regard to price, and has made recommendation that there be an increase in the price of crude petroleum, but his recommendation failed to secure the approval of the authorities in the O. P. A. and Judge Vinson's office.

Mr. President, as has been so well pointed out by the Senator from Oklahoma, the present ceiling price of oil, which means an average of all grades of oil, some selling above the price and some below, is \$1.17. That figure is only 64 percent of parity. The prices of other commodities cited by the Senator from

Oklahoma equal parity; some of them exceed parity. I see no reason whatever why oil should not receive the same degree of consideration, as to the fairness of its price, that other commodities receive.

I do not own a gallon of oil, and I am not interested in any oil company, much to my sorrow and regret, and I have no personal interest in this matter, but normally my State is the producer of large quantities of oil, and in my contacts with the oil interests, the independents particularly, I have learned that the prices of their materials, the price of their drilling machinery, of their pipe, and of every element that goes into the cost of producing oil, have risen greatly since about the time of the beginning of the war.

Labor costs have skyrocketed; labor is scarce at the present moment, and those familiar with the oil business represent to me that at the present levels they cannot bring about a greater volume of wildcat production. The Senator from Oklahoma is correct in saying that the great mass of the initial production of oil is done by the wildcatter. He is the one who ventures forth and discovers a field, and after it is proven the large companies move in and acquire leases within the field. The large companies do some exploring, but they depend very largely for exploration and pioneering on the small, independent operators.

Mr. President, in my State there is an organization called the railroad commission. Under our laws it has jurisdiction of oil and gas. That commission has made very careful surveys, and has on a number of occasions represented to me that it thought it necessary, in behalf of increasing production and really conserving some of the fields which are now in existence, some of the stripper wells, to increase the price. A stripper well occurs where flush production has already been enjoyed and a well produces only a few gallons a day, which must be pumped. The operating costs for that kind of a well are very high. Yet the total production of stripper wells constitutes a very considerable portion of the volume produced in the United States, because there are so many of them. Like Lincoln's poor people, God must have loved them, because he made so many of them.

Mr. McCLELLAN. Is it not also true that the stripper wells cannot be closed down and reopened, that once they are closed the loss is permanent?

Mr. CONNALLY. Whenever a stripper well is closed salt water or something else seeps in, and the well never can be reopened profitably; it is gone. A stripper well, with the high operating costs, unless the operators obtain a fair price, cannot operate, and unless a fair price were provided, many of the stripper wells would pass out of existence.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MURDOCK. Would it not be possible to subsidize the stripper wells, and take care of them in that way, in-

stead of having the general rise in price that is contemplated by the amendment?

Mr. CONNALLY. That could be done, and I think that is being done to some extent.

Mr. BARKLEY. If the Senator will yield, that program has not been inaugurated.

Mr. CONNALLY. It has been talked about.

Mr. BARKLEY. I conferred a day or two ago with Judge Vinson about this problem. It was due largely to his disapproval of the recommendation of Secretary Ickes that the 35-cents-a-barrel increase was not put into effect. The authorities are now considering approaching the subject from the standpoint of taking care of the stripper wells to which the Senator has referred. What will be adequate I do not know, but they are giving the subject consideration, and I understand sympathetic consideration.

Mr. CONNALLY. I thank the Senator from Utah for his suggestion.

Mr. President, I have no hesitancy in admitting that if one man cannot do something at a certain income level, and his case is fixed by handing him some free money, of course that suits him. But that does not suit all the others engaged in the industry who are undergoing perhaps not so great a hardship as the stripper, but are themselves going to arrive at the stripper's state sooner or later.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MOORE. Commenting on the suggestion made by the Senator from Utah about subsidizing the stripper wells, the industry well knows, for the matter has been thoroughly explored, that it is so impractical that it would be impossible to do it without tremendous overhead.

Mr. CONNALLY. It would involve a tremendous administrative cost.

Mr. MOORE. It is like many other things in connection with regulating prices; it would produce evasions and practices of that kind.

Mr. CONNALLY. Yes.

Mr. MOORE. I should like to say, with the Senator's permission, in his time, if I may—

Mr. CONNALLY. I have no assurance of time. Proceed, Senator.

Mr. MOORE. I only wish to say that I approve of the amendment. Like many other Members of the Senate, I do not generally approve of fixing prices by legislation, in fact, I am very much opposed to it; but as the Senator from Texas and the Senator from Oklahoma and many other Senators know, an increase in the price of oil has been overdue for a long period of time.

The Petroleum Administrator for War has repeatedly, as has been stated, recommended an increase in the price of oil for reasons set forth. This matter has been submitted to every executive agency that has had jurisdiction of it, and to every Member of Congress considering the matter, and there never has been a single instance when the members of the committees have not been thoroughly convinced of the justice of the proposed

increase in price. Therefore I am endorsing and approving the amendment, because the increase in price can be obtained in no other way.

Mr. CONNALLY. I thank the Senator. He says he is generally opposed to fixing prices by law. I suppose most of us are. But the purpose behind the whole of the O. P. A. legislation is to fix prices by law. We do not pass a separate statute with respect to each commodity, but when we vest in an agency or a bureau the power to fix prices, the prices are fixed by law. In many cases instead of Congress making the law, the bureau makes the law, but it is no less a fixing of prices by law when the cases are all placed in one hopper than when individual cases are picked out and statutes passed with respect to them. We are not now proposing to pick out individual cases, but to make a general rule.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I wish to correct a statement I previously made. A moment ago I suggested that the O. P. A. and Judge Vinson were considering dealing with the stripper wells—by way of a subsidy. I do not know that it is by way of subsidy. I have the impression that it is by way of an increase in the price, but it may be by a subsidy.

Mr. THOMAS of Oklahoma. An increase of 30 percent.

Mr. BARKLEY. Thirty percent. Let me ask the Senator from Texas a question. I object, and I do not suppose I have to reiterate my objection, to Congress by law fixing prices of anything. I do not think we are any better qualified to do that than we are to fix the railroad rates. For that reason we have created an Interstate Commerce Commission to fix railroad rates. We have created a tariff commission to fix tariff rates. We have done that because of the difficulty, if not the impossibility, of Congress en masse getting the information upon which scientifically we can act.

I wanted to ask the Senator this question: Since the Bankhead amendment in regard to cotton has been adopted by the Senate and it has been placed in the bill, it leaves less ground to stand upon for those who, on account of principle, objected to it for the same reason might object to the pending amendment and to other amendments dealing with specific commodities. I do not know what the House will do. I do not know whether a similar proposal will be contained in its bill when it comes to the Senate. I understand the House has already defeated an amendment similar to the Bankhead amendment which was submitted to the O. P. A. bill which is there now under consideration. If the House bill should be passed without such an amendment as this, the subject would be in conference. If both Houses act favorably upon it, it will not be in conference.

Mr. President, all of that leads to this: What comparison and what relationship does the Senator from Texas feel exist as between natural products which are limited in quantity and cannot be increased by any of the genius of man?

All man can do is to find more of them if they are in existence, but he cannot create oil or coal or copper. When the wages of coal miners were increased last year, I think 22 cents a ton were added to the price of coal in order to absorb the increase in the cost of production. That, of course, was an official recognition by agencies of the Government of a wage increase sanctioned by the Government, and therefore they reflected it in an increased price for the coal which was produced. Now we know there has been an increase in the wage rate of those who work in oil fields, but that may not have been sanctioned by the Government. It may have come about by force of circumstances.

Mr. CONNALLY. That is correct.

Mr. BARKLEY. How does the Senator in his own mind compare the situations, one being an official recognition of an increase in wages by the Government to one type of producers of a natural product, and another an increase which had been brought about by force of circumstances, which is just as effective as if it had been sanctioned by the Government, being reflected also in a comparative increase in the price of the product produced?

Mr. CONNALLY. I thank the Senator. The point he has made is a very valuable one. In the case of the production of oil I know that the cost of labor and production have both gone up, but I do not think in any case that has ever been called to my attention that the increase in wages was the result of any Government action or the action of any board. It was because of the shortage of manpower and the attractive wages paid in other industries. It was difficult to secure sufficient manpower to drill the wells, and when the operators did secure the manpower they had to pay higher wages.

On the other hand, let us consider the coal situation. Coal is sometimes regarded as a competitor of oil. I do not see the Senator from Pennsylvania present. I presume he will not take serious umbrage at that statement. But in the case of coal when the miners demand and receive an increase in their wages, then the Government automatically lifts the price of coal, and the consumers must pay the additional price. But in the case of oil we are told "No, we froze you back yonder in 1941, and when frozen you have got to stay frozen. We have given you the 'Birdseye' treatment, and you have got to keep it up."

Mr. President, that is not a fair method of treating the two industries. Everyone knows that the price of coal has just been raised, and the increased price was passed back to the consumer, and then the money was handed over to the miners. They vote in quite large numbers, as Senators know.

Mr. President, I was saying a moment ago that in Texas we have a railroad commission whose functions include the regulation of the transportation of coal and gas, and the regulation of production, and the determination of how many wells can be drilled on how many acres, and how many barrels can be produced after the operators strike oil. I have a

telegram from each one of the members of that commission urging that this amendment be adopted. They have communicated with the members of committees of the House and the Senate. They have communicated almost daily, in conference, with the Oil Administrator for War. They favor and approve the action of Secretary Ickes, as Oil Administrator, in heretofore seeking an increase in the price of oil.

The chairman of that commission in Texas is the Honorable Beauford H. Jester. I have received a telegram from him, under date of June 1. I will not place it in the RECORD, because I do not wish to encumber the RECORD. I have received another telegram from the Honorable Olin Culbertson, railroad commissioner of Texas, under date of June 1.

While I do not have it at hand at the moment, I have also received a telegram from the other member of that commission, the Honorable Ernest O. Thompson, who was formerly chairman of the commission, strongly urging adoption of the amendment. I have also received numberless letters and other communications from him and the other members, from time to time.

Now let me address my remarks to the Senator from Kentucky, because I wish to answer his question and the question asked by another Member of the Senate. I may state that what I shall say is not particularly serious, so the Senator can continue to talk to the Senator who sits near him, if he wishes to do so.

Mr. BARKLEY. Mr. President, whatever the Senator says is always serious, even if he does not mean to have it so.

Mr. CONNALLY. The Senator from Kentucky made the point that there is a difference between commodities the sources of which are exhaustible and other commodities. He pointed out that once the source was exhausted, no more could be obtained. He also pointed out that in the case of oil, all one had to do was to find it. Let me tell the Senator that when anyone tries to find oil he undertakes a tremendous job. In my State, after the location of a well is selected, it is often necessary to drill the well 12,000 feet deep in order to reach the oil. We have a number of wells 12,000 feet deep or more. That means the operator must pay \$125,000 or more just for the drilling of the well. We have numerous wells 8,000 or 9,000 feet deep.

I see the Senator from Oklahoma [Mr. MOORE] is smiling. Let me ask him if what I have said is not true?

Mr. MOORE. I understand that it is true.

Mr. CONNALLY. In fact, there are slanting wells in Oklahoma. I understand there is an oil well under the State House in the capital of Oklahoma, and that in order to get to the well the drill was slanted, so that it punctured the pool under the statehouse. Is that true?

Mr. MOORE. I think it is.

Mr. CONNALLY. The Senator from Oklahoma should know.

Mr. President, I do not wish to take up any more of the time of the Senate.

Mr. BARKLEY. Mr. President, I hope the Senator does not imply that the Senator from Oklahoma has a slant on the situation like that one.

Mr. CONNALLY. Under the circumstances under which he got here, I think he has a slant on the whole State, or the State has a slant on him, one way or the other. [Laughter.]

At any rate, let me say that I shall vote for the amendment, on the ground that it will aid in increasing the production of oil at a time when it is needed for war purposes as never before, and because it will be needed after the war comes to an end. The Senator from Utah, as I recall, mentioned a subsidy. I do not like subsidies in principle. I do not see why the Government should pay a subsidy to help a person get cheap gasoline, so that he may run up and down the roads and wear out the roads we are building. I do not see why he should not pay for the value of the gasoline, if he is going to get it.

Incidentally, of course, I should be willing to pay for more gasoline than I am getting now, if I could get it. [Laughter.] But that is beside the point.

The taxpayers are under no obligation, as I see it, to pay a subsidy. Of course, the payment of a subsidy would be justified if the Army and the Navy, for instance, had no other way to obtain a supply of gasoline. I will say to the Senator from Utah that would be entirely justifiable; even though it would be out of the ordinary line of thinking, I would have no disagreement with that view.

Mr. MURDOCK. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I yield.

Mr. MURDOCK. In the production of copper, lead, and zinc, instead of providing a general price increase, the high-cost operators of producing those commodities were granted subsidies, and thus the needed production was obtained. But at the same time the line was held on the high-price ceiling.

I wonder if the desire is to get the stripper wells into production, and to keep them in production.

Mr. CONNALLY. That is one of the desires.

Mr. MURDOCK. I wonder how much more economical it would be to subsidize the stripper wells, rather than to grant to all the large oil corporations a general increase in prices, when today they are making more millions than they have ever before made in all their history.

Mr. CONNALLY. I will answer the Senator.

Mr. MURDOCK. Of course, by increasing the price of oil, we would increase the price of the most important article which is used in the entire war program.

Mr. CONNALLY. Oil is no more important in the war effort than copper.

Mr. MURDOCK. No; but we are holding the line on copper, and we are subsidizing the high-cost producers.

I am willing to do that if it is necessary. If someone would simply give the figures, regarding what the adoption of this amendment would cost the country over

a period of a month or a year, in view of the tremendous profits which now are being made by the oil companies, I doubt that the amendment would be adopted.

Mr. CONNALLY. Very well; I shall answer the Senator. He is thinking only in terms of dollars, in terms of how much the adoption of the amendment would cost the people of the country. I do not know what it would cost them; but the gasoline and oil should cost them what it is worth. That should be the cost to all organizations, whether large or small. If the doctrine which is to be applied is based on the question of how much the cost will be we should insert a provision cutting all prices in half, and thus save considerable money to everyone.

Mr. President, the Senator from Utah has referred to the large profits made by some of the oil companies. I think some of the oil companies are making large profits.

Mr. MURDOCK. They are making the largest profits in their history.

Mr. CONNALLY. At this time I shall revert to a discussion had earlier today. Awhile ago I endeavored to point out that the oil in question is discovered by the wildcaters, the operators of the small companies. They risk their money. Whenever they find an oil field the large companies move in and buy it.

I understand, although I have not seen the figures, that some of the large companies are making great profits. But they are doing it by the manufacture of high-octane gasoline and by the sale of it to the Government, at a high price, for the Army and the Navy. They are making their profits on the subsidization of their program for the manufacture of synthetic rubber, in connection with which the Government has been building the plants and turning them over to those companies. They are making it in the refining operations in which the small operators do not engage. They are making it from their pipe lines, which the small operators do not have. The larger company is an integrated company. It has some oil production of its own, and also has the oil it buys from other oil producers. Then it has its refinery outlet for all grades of gasoline, first, and for lubricating oil, crude oil, and a dozen other distillates and petroleum products. It makes some profit on all of them. Then it has its own pipe line, in which it not only transports its own oil and gasoline, but transports oil and gasoline for other companies; and it receives a high profit from the operation of the pipe line.

The small operator has only a small well somewhere out in the country. When he sells the oil he obtains from that well he is through.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I should like to ask the Senator from Texas and also the Senator from Oklahoma whether under the pending amendment it would be possible for the Government, through the O. P. A. or the War Department, the Navy Department, or any other governmental agencies, to compel the larger companies which are making unaccustomed profits from the refining of oil to

absorb any part of the increase in the price of crude oil, so as not to pass all of it on to the public in the form of an increase in the price of gasoline and in the prices of other petroleum products.

Mr. CONNALLY. Mr. President, I never like to interpret another Senator's amendment. Therefore I yield to the Senator from Oklahoma. I do not desire to embarrass him.

Mr. THOMAS of Oklahoma. Mr. President, it is my understanding that if the amendment should become a part of the law, the O. P. A. then would proceed to fix ceiling prices on the derivatives and products of oil.

Mr. CONNALLY. That is correct.

Mr. THOMAS of Oklahoma. That is not now being done. Today the ceiling price is placed only on crude oil, and the price of gasoline and the price of other products of oil is permitted to be governed by the contracts between the producers and the consumers.

The pending amendment would require the O. P. A. not to fix the ceiling price below 90 percent of the parity price, and then to proceed to fix the ceiling prices on other oil products or derivatives in harmony with the price for the crude oil.

Mr. CONNALLY. That will reach the problem.

Mr. BARKLEY. In other words, the answer to my question is, "Yes; the O. P. A. could do that"; is that correct?

Mr. CONNALLY. That is correct.

Mr. BARKLEY. The Senator said the average price of crude gasoline at the refinery is 6 and a fraction cents a gallon.

Mr. CONNALLY. The price is 6 cents a gallon, and for the premium grade it is 6½ cents a gallon.

Mr. BARKLEY. In other words, the gasoline station at the corner of the road pays 6 and a fraction cents a gallon for the gasoline it sells. It sells that gasoline for 15, 16, 20, and in some cases as much as 25 or 26 cents a gallon, depending on the amount of the State and Federal taxes. I do not think any State tax is more than 7 cents. Added to the cost of 6 cents is a State tax which on the average probably is 3 or 4 cents a gallon. If we add that 3 or 4 cents, or if we assume that the tax in the various States is 4 cents, on the average, or even 5 cents, and if we add the Federal tax, we arrive at a price of approximately 11 cents a gallon which the retailer pays for the gasoline he sells to the public for 15, 16, and in some places as much as 21 or 22 cents a gallon.

Mr. CONNALLY. That is correct.

Mr. BARKLEY. It seems to me that somewhere in that process there ought to be an absorption of the increased price of oil. It seems to me that it could be done without much injury to the public which is buying gasoline, if the O. P. A. has full authority to deal with that situation.

Mr. CONNALLY. Mr. President, I am glad the Senator asked the question, because the Senator from Oklahoma [Mr. THOMAS] very clearly pointed out that under the terms of this amendment the Office of Price Administration would be able to regulate a field which it is not

now regulating. If the price ceilings on lubricating oil and all the other by-products of oil are reduced, there will be no opportunity for high profits in refining; and, as the Senator suggests, the price of gasoline itself can be regulated.

I do not wish to take up any more of the time of the Senate. I am supporting this amendment because it would aid in stimulating the production of crude oil when we need it. It would give recognition to the policy of parity, which the Congress adopted in solemn statutory form years ago. That is our policy, and all we are seeking to do is to implement that policy by saying that the Administrator shall observe a certain standard. We are not fixing the price by law. We are simply setting up a standard, a measurement, a yardstick for the guidance of the price-fixing agency.

I think we have clearly demonstrated that the costs of production have vastly increased. Everyone knows that to be so. Every cost entering into the production of an oil well has increased, and it is only fair that producers should receive 90 percent of parity, when the theory of the parity law was that they should receive 100 percent.

Mr. CAPPER. Mr. President, in the measure pending before the Senate there is now a specific provision intended to guarantee cotton producers parity price for cotton, as I understand it. I have no quarrel with that provision. I supported it. I believe in the principle of parity prices for farm commodities. Cotton is entitled to the favorable consideration we gave it today. But we have another natural resource in this country for which there is a great demand. While cotton has been selling at close to parity for several years, crude petroleum has been selling at prices far below any possible parity formula that can be fairly computed.

Therefore, if only in the interest of fairness and equity, the Office of Price Administration should be instructed by the Congress to provide increased prices for crude petroleum.

But more than equity is involved. The present prices for crude petroleum, based on the price level of around 1937, while most other prices are based on the levels of 1941 and 1942, are not sufficient to operate thousands of stripper wells at cost. Hence these wells are being abandoned. Once abandoned, they are through pumping oil forever. Water comes in and takes the wells, and that petroleum is lost. The time is coming when even the United States cannot afford to throw away its reserves of petroleum.

I am supporting the amendment for an increase in the price of crude oil, in the interest of national defense, and in the interest also of conserving this great natural resource, as well as in the interest of the small independent producers who are being eliminated from production by the present unduly low prices enforced by the Office of Price Administration.

In this connection, Mr. President, I ask to have printed at this point in the Record a statement by Mr. Russell Brown, general counsel for the Independent Petroleum Association of America,

dated June 2, 1944; an article from the *Wichita (Kans.) Beacon*, published May 20, 1944, with an accompanying letter from Arthur L. Vermillion, executive vice president of the Union National Bank of Wichita, Kans., giving the views of W. B. Harrison, president of the Union National Bank and vice chairman of the Kansas Industrial Development Commission; also an interesting communication from W. L. Hartman, an independent oil producer of Wichita, Kans., giving valuable statistical information on Kansas oil production; also a telegram from former Governor Payne Ratner of Wichita, and other telegrams received by me in the past few days on this very important subject.

There being no objection, the matters referred to were ordered to be printed in the *RECORD*, as follows:

INDEPENDENT PETROLEUM
ASSOCIATION OF AMERICA,
Washington, D. C., June 2, 1944.

To the Members of the Congress of the
United States:

The independent producers of petroleum have proposed to the Congress, during the hearings before the Banking and Currency Committee, an amendment to the price control law, the purpose of which is to correct the petroleum shortage. We respectfully request your earnest consideration and support of such amendment.

In a collection of charts which the Office of Price Administration sent to Members of Congress, accompanied by a letter bearing date of May 17, it was asserted that "proposals to increase the price of crude petroleum have been based upon these claims" (then followed four statements).

The statements failed to include the one which is of greatest public concern, present shortage of oil. That consideration has been emphasized in the representations made by the oil producers.

An elaborate reply would be required to refute the contentions made in the 20 pages of charts prepared by the O. P. A. We shall here confine ourselves to the four propositions stated on page 2 of the booklet. On the following four pages are the "claims" as stated by O. P. A., with our comment thereon. Respectfully submitted.

RUSSELL B. BROWN,
General Counsel.

Claim No. 1: That petroleum reserves are being exhausted—producing a shortage of crude oil.

Contrary proof offered by O. P. A.: A graph showing increase in estimates of proved reserves from 1937 to 1943, with a small decline in 1943.

The facts: It is producible oil, not total estimated reserves, that is the basis of supply. There is a present shortage of producing ability and a substantial refining capacity that is idle because of lack of crude oil. There is a steady drain on oil in above-ground storage. The rationing program and the shameful black market eloquently testify to shortage.

"On May 3 we received a request from the Joint Chiefs of Staff for an immediate increase in the production of oil from Elk Hills from the present rate of 15,000 barrels a day to 65,000 barrels a day * * *."

"I need not add that we in the Navy had hoped to conserve the Elk Hills Reserve with only nominal withdrawal throughout. But we have been forced to the reluctant conclusion that a large increase in production is now imperative." (Assistant Secretary of the Navy Ralph Bard.)

Claim No. 2. That a price increase is needed to stimulate the drilling of new wells.

Contrary proof offered by O. P. A.: A chart showing that wildcat drilling was greater in 1943 than in the 6 previous years, an estimate of the number that may be drilled this year, and a statement that shortage of materials and manpower, not inadequate price, was responsible for the decline in drilling of wells other than wildcats.

The facts: Wildcat wells is not a complete answer. Development wells must be drilled. The yearly average of producing oil wells drilled for the years 1940-41 was 19,160; for the years 1942 and 1943 it was 10,032 wells, approximately one-half of the preceding 2-year average, while demand for oil was increased greatly.

The number of wells actually drilled in 1942-43 in areas unrestricted by regulations declined sharply from previous years.

Total number of wells recommended by the Petroleum Administration as this year's program is 24,000. Deputy Administrator Davies recently testified that he doubted that they would do better than 22,000.

Materials, manpower, and price are the important elements of a production program. Price will go far to overcome the shortage in the other two. That is the experienced judgment of our industry.

Claim No. 3. That a price increase is needed to keep stripper wells in operation.

Contrary proof offered by O. P. A. A page of statistics labeled, "Well abandonment at very low level in price-control years." The table shows a lower rate of abandonments in 1943 than in any year since 1939.

The facts: A careful and comprehensive survey—not a computed estimate—now being made by the Interstate Oil Compact Commission and the National Stripper Well Association, will reveal, according to the president of the latter organization, that more wells were abandoned in 1943 than in the previous year; the 1942 total was 10,541, according to the same authorities, not the 7,600 shown in the O. P. A. tabulation. Official notice of this problem was taken on April 21, 1942, by the Petroleum Coordinator for National Defense, and in recommendation No. 47 required 30 days' notice of the intention to abandon wells capable of producing 1 barrel or more per day and reserving the right to disapprove.

Despite its claim that well abandonments are decreasing, O. P. A. has proposed a subsidy to prevent abandonments.

Claim No. 4. That present prices are a hardship upon producers.

Contrary proof offered by O. P. A.: Graphs of "profits of 12 large crude-oil producers" and of 10 major companies. As to the latter, the profits figures shown by O. P. A. do not agree with the published statements of the companies.

The facts: The fact that 10 or 22 companies selected by O. P. A. are making profits does not answer the problem. The thousands of oil producers throughout the United States are the measure of the success or failure of the producing industry. According to the published reports of the Treasury Department of the United States, a majority of companies engaged only in production of oil were losing money even before the addition of wartime costs and difficulties.

UNION NATIONAL BANK,

Wichita, Kans., May 26, 1944.

The Honorable Mr. ARTHUR CAPPER,
Senator of Kansas,
Senate Office Building,
Washington, D. C.

DEAR SIR: We are enclosing herewith a very timely article on our oil situation written by Mr. W. B. Harrison, president of our bank. Mr. Harrison is thoroughly familiar with our immediate problems affecting our oil industries, more particularly the developments of new fields, which means the increasing of our oil reserves.

We humbly pray that you will give immediate consideration to an increase in the price of crude oil in order to hasten the successful conclusion of the present war and to perpetuate one of the greatest American industries in the post-war period. New fields can only be discovered and developed by increasing the price of crude oil, and the present price does not afford the proper spread between the cost of drilling new wells and the price of crude oil. Drilling costs have increased many times during the past few years, while the price of crude oil has remained at a fixed price.

If there is any additional information you desire on this subject we will be glad to furnish same, as we want to do everything we can to cooperate in the proper evaluation of the many problems confronting the oil industry.

Very truly yours,

ARTHUR L. VERMILLION,
Executive Vice President.

[From the *Wichita Beacon* of May 20, 1944]

CRUDE DEVELOPMENT HALTED BY LOW PRICE

(By W. B. Harrison, president, Union National Bank, Wichita, and vice chairman, Kansas Industrial Development Commission)

The oil business means so much to Kansas that we cannot afford to let erroneous information regarding the present status and future prospects of this great industry gain general circulation in the United States. At present there is widespread prediction that the Nation's supply of oil is about to be exhausted.

Based on this erroneous belief, we find the eastern seaboard States, which have always clamored for cheap oil for fuel purposes, planning to open flood gates for foreign crude into the United States immediately after the war. We also find the Government itself planning investment of more than \$100,000,000 in a pipe line in Arabia to facilitate transportation of Arabian oil into the United States.

Either of these moves would directly affect the oil industry in Kansas and the Southwest, with a strong tendency to lower the price, although the price is now far too low, and neither of the moves contemplated is based on facts. They are based only on suppositions which can easily be proved to be unwarranted.

PREVIOUS FALSE ALARMS

This is by no means the first time that the cry has been raised that the United States' supply of crude oil is being exhausted. Within my own memory the same assertion has been made by Government officials loudly and insistently at three distinct periods in the last 40 years. In 1908 the United States Geological Survey estimated that the maximum oil resources of the United States was 24,500,000,000 barrels. Some 2,000,000,000 barrels in excess of that amount has been produced since that estimate was made, and there is general agreement that we have at least 20,000,000,000 barrels now in known reserves.

In 1919 the same Government bureau estimated that the total amount of oil in the ground for future use was a little less than 7,000,000,000 barrels. In the 25 years since that estimate was made there has been discovered in oil reserves more than five times this amount, and new discoveries are constantly adding to these, though not nearly as fast as would be the case if the price of crude had increased with the cost of discovery wells.

KANSAS' ESCAPE IN 1931

In 1931 the writer, together with other representatives of the oil industry in Kansas, journeyed to Washington several times to present arguments for the imposition of an excise tax on oil imports. At that time the Government again came forward with very

serious predictions of an oil shortage. Mr. Lyman Wilbur, then Secretary of the Interior under President Hoover, gave out an interview to the press in which he stated that the then known oil reserves in Kansas should not be tapped for 50 years, but should be kept in the ground so that the Government would have a sure supply of oil for the Navy and other operations. And, mind you, this was before the discovery of the rich fields in Barton, Ellis, Rooks, and Barber Counties, and in some other sections of the State. If Secretary Wilbur's policy had been adopted the oil industry in Kansas would have been strangled to death before it had reached its adolescent period. It has not yet grown to full manhood.

PLENTY OF CRUDE AVAILABLE

In view of the above facts it is not presumptuous to say that the record of the Government bureaus on the available supply of crude oil does not warrant confidence in their present prediction. No one knows or can know how much oil can be found in the United States when the prospective oil producing lands have all been tested and those found productive have been developed. It is, however, the sincere belief of many well-posted men in the industry that enough oil can be found by normal exploration operations to supply the needs of the United States for centuries. During the past month a very promising field has been opened in Mississippi, an entirely new area from which it is quite possible that hundreds of millions of barrels of oil may be recovered.

No one has any idea how much oil Kettlemen Hills can produce, but those who are familiar with that territory estimate a vast amount of oil available there when it is needed. Oil lands along the Gulf Coast and the Atlantic and Pacific coasts produce much more heavily per acre in some cases than any of the interior oil lands, like Kansas. One small tract in California has already produced 3,000,000 barrels of oil per acre, and is still producing prolifically after 15 years of production.

Kansas has many thousands of acres of undeveloped lands that are considered good prospects for oil when drilled, but drilling costs have increased materially during the war period; the price of oil has not increased, the number of wells being drilled is falling off accordingly, and there is no way of estimating how much Kansas can produce in oil during the next 25 to 50 years until this exploration work is done.

Any estimate by Government bureaus or by anyone else of what Kansas can contribute to the oil reserves of the country is likely to be far under what future developments will show, because such an estimate would be based on what is known today and not on the results of exploratory operations. Wyoming is now getting a big play in oil development and is likely to greatly add to the known oil reserves. It is only a few years since Michigan and Illinois produced practically no crude; today they are heavy producers. Nebraska, the Dakotas, Colorado, and Montana are now considered good prospective oil territory. There are large sections of Texas, especially along the coast, that are believed to be good prospects for heavy production.

Some 22 States are now producing oil, and the proven oil territory is extending every year. It is passing strange that the Government is willing to spend more than \$100,000,000 on a wildcat project in Alaska, and an equal amount on a pipe line in Arabia, either of which projects may get us into serious international trouble, but is not willing to permit the price of crude oil to be raised 50 cents a barrel, to be paid for not out of the United States Treasury but by the consuming public, which would probably result in the location of new oil fields within our own borders that would insure an adequate

oil reserve for the Nation for several hundred years.

EAST WANTS CHEAP FUEL

It is quite natural that the eastern seaboard manufacturing district, which is a vast consumer and not a producer of fuel oil and gasoline, would like to get this product as cheap as it can, but it is not in the interest of American business as a whole, and certainly would not contribute to the prosperity of the country to permit the importation of cheap oil from Venezuela or Trinidad or Africa or any other foreign port. The oil industry pays high wages even in peacetimes, provides a market for pipe and oil well supplies in the making of which hundreds of thousands of American workmen are engaged, and in many other respects is a vital link in the Nation's industrial chain. The cry of diminishing reserves which threaten future supply has no basis in fact if the industry is given a proper opportunity to maintain the needed reserves.

In the last 20 years this country has produced 21,500,000,000 barrels of oil, but we still have in proven reserves some 20,000,000,000 barrels; and this in spite of the fact that the percentage of dry holes drilled since the war began is less than in normal years. In other words, although the demand for oil is four times greater in World War No. 2 than in World War No. 1 our effort to find crude oil in new fields has increased only a little more than 10 percent above the same effort in the last war. The statistics plainly show that the risk of drilling is not being taken because the costs of drilling compared with the price of crude oil is out of line. If the price of crude were raised it is fair to assume that there would immediately begin a campaign of wildcatting comparable with such activities in former years, and the results would be seen in new fields opened and new reserves created. Until that has been done, or at least tried, there is no foundation whatever for the claim that we are running out of crude oil reserves and that we must lay plans for foreign importation. The Government's own statistics show that only about one-half of the 15,000 square miles of prospective oil producing fields in the United States have been tested. Besides it should be borne in mind that the prospective oil producing territory is being constantly enlarged. In recent years these additions include, for instance, large sections of Nebraska and the Dakotas. Looking back only 25 years, it was a common saying among oilmen in Wichita that no oil would be formed in Kansas west of Butler County because the "granite ridge" was the dividing line. Yet the big Kansas production has been found west of the dead line designated, and it is now generally accepted that much more will be found when western Kansas is better explored. Would it not be much better to test some more of these good looking prospective oil lands before throwing up our hands and inviting in a flood of cheap oil from abroad?

OVERSUPPLY AGAIN POSSIBLE

Every preceding period of doleful predictions that the oil supply in the United States is being rapidly exhausted has been followed in less than 10 years by an actual surplus of domestic crude, which demoralized the market and sent the price below the cost of production. It is entirely possible that this may happen again, and the writer believes it will if oil men are given a chance to locate the present unknown reserves. In an article in *Nation's Business* for May by Wallace E. Pratt, internationally known geologist and vice president of the Standard Oil Co. of New Jersey, entitled "We're Crying Wolf in Oil Again," many dependable statistics on the past and probable future production of oil are given which lead up to the inevitable conclusion that "although no one can measure accurately the future oil resources of the

United States, there is no evidence that our present proved reserves constitute all, or even the principal part, of total remaining resources. It is doubtless true that we shall some day exhaust our oil resources unless before that day we discover a better or cheaper source of energy, but the end is not yet in sight. Our proved reserves are large, but undiscovered oil fields still constitute our greatest oil resource." Mr. Pratt further estimates that with now processes of producing oil from shale and coal, it is probable that we have reserves in sight to last the country 1,000 years. Many other authorities agree with him.

SOURCES OF POWER CHANGE

Engineers are already promising us a new type engine to be put into production in the post-war period which it is claimed will be many times more efficient than the internal combustion engines or Diesel engines which use large quantities of crude oil, and they predict that the life of the present type of engines will not be more than 50 years. We are therefore faced with two possibilities: First, a supply of crude oil that may last 1,000 years; second, a demand for that crude that may not last more than 50 years.

Under these circumstances does it seem advisable to build pipe lines in Arabia or subsidize imports from Central and South America to guard against a shortage of crude oil until we have made greater inroads on our domestic supply? The Arabian project offers definite danger of no mean magnitude. The proposed pipe line would run through a wild territory where it must be under constant guard by our nationals. That some of them would be killed by the well-known lawless bandits of these districts is hardly open to question. This might well produce strained international relations and result in activities by the Army and Navy that would cost many times the actual investment in the pipe line itself. Why place our foot in such a trap when there is sound reason to believe that adequate reserves of petroleum can be found in the United States by a small increase in the market price of crude oil?

WICHITA, KANS, June 3, 1944.

HON. ARTHUR CAPPER,
United States Senator from Kansas:

Referring to Banking and Currency bill extending O. P. A. and including parity price on cotton, the vital importance of crude oil to the winning of the war and to the maintenance of our necessary civilian economy necessitates an increase in the present below parity price on crude oil in this bill as well as on cotton.

PAYNE H. RATNER.

AUGUSTA, KANS, June 3, 1944.

Senator ARTHUR CAPPER,
Washington, D. C.:

We understand that the O. P. A. bill is out of the Banking Committee and ready for Senate and that rider to bill puts cotton on a parity and we ask that you see that oil is protected in the same manner as cotton grown by the southerners.

ROY M. HAINES.

AUGUSTA, KANS., June 3, 1944.

Senator ARTHUR CAPPER,
Washington, D. C.:

The oil men of the country have done everything possible toward the winning of the war by increased production at the same price as prior to war. Labor and supplies have increased to O. P. A. bill putting oil on parity same as cotton.

E. C. VARNER.

AUGUSTA, KANS., June 3, 1944.

Senator ARTHUR CAPPER,

Washington, D. C.:

It is imperative that an increase in the price of oil should be made so as to encourage production. The O. P. A. bill now out of the Banking Committee protects the South in cotton and it is due the oil men to have a rider protecting oil on a parity basis.

HENRY C. BENNETT.

AUGUSTA, KANS., June 3, 1944.

Senator ARTHUR CAPPER,

Washington, D. C.:

The Government has maintained the price of oil same as prior to the war. A rider has been attached to the O. P. A. bill putting cotton on a parity and this is the opportune time for an oil rider to the bill. Will appreciate your interest.

SIMON COHEN.

HUTCHINSON, KANS., June 3, 1944.

Senator ARTHUR CAPPER,

United States Senate,

Washington, D. C.:

You and your Kansas colleagues are beyond preadventure of any doubt fully familiar with the necessity for an increase in the price of crude oil, as all costs in connection with exploration, development, and production have increased tremendously over the last 3 years. Since the Banking and Currency Committee has reported out a bill which, among other things, calls for periodic adjustments of the market price of cotton to parity, we strongly advocate an amendment thereto with a similar provision affecting intermittent adjustments of the market price of crude oil to parity. All operators with whom I have talked within this area are exceedingly anxious that you give fullest support to such a movement.

CARL HIPPLE OIL Co.,
By CARL HIPPLE.

WICHITA, KANS., June 3, 1944.

Hon. ARTHUR CAPPER,

United States Senate,

Washington, D. C.:

We have been established in the proposed amendment on cotton. We ask for your support on a similar amendment for oil.

KARL F. FISHER.

WICHITA, KANS., June 1, 1944.

The Honorable ARTHUR CAPPER,

United States Senate,

Washington, D. C.

DEAR CONGRESSMAN CAPPER: I sent you today a telegram, a copy of which is enclosed.

The independent producer has been fighting for a fair price for crude oil constantly, since the Office of Price Administration came into existence. Up to this time the Office of Price Administration has failed to recognize the difference between a producer and their problems, and an integrated company that depends largely upon buying the producers' crude, running it through their pipe line, processing it, and distributing it to the public or the Army and Navy, for their profit or loss.

I believe that unless the Office of Price Administration is forced to do so through congressional direction, they will continue to ignore the plea of the individual producer for a fair and living price for crude oil.

I also believe you should give due consideration to the individual producer's plight, as the records will show that in Kansas, up to June, 1943, 75 percent of the pools opened in Kansas were by the Independents and small producers, while only 25 percent were opened by the majors. Also as of that date, 84 percent of the crude oil produced in Kansas for the current month was from pools opened by independents, while only 16 percent was produced from fields discovered by major companies.

I am strictly a producer of crude oil and a developer of producing properties, and depend upon the income to carry on my operations.

I found it necessary recently to sell 22 producing properties, as I was unable to operate these properties without loss under the present price, and have had to practically quit development of any future reserves due to lack of cash.

I entered the oil business in Glenn Pool day in Oklahoma and have stayed with it through the years, with moderate success until now. I have drilled hundreds of wildcat wells, and discovered several of the best pools in the State. My partner and I discovered 11 pools in Kansas during one 2-year period. I feel that I have done a small part toward the development of one of the great industries that has developed our great

Nation. I would like to stay in business. It seems odd to us who have been in the oil business all our lives as producers, that we cannot get a price for our crude enabling us to develop new reserves, let alone produce our properties without loss.

As you know, we are getting the same price for our crude that we did before the present war started. Wages, material, overhead, and all expenses connected with this business have gone up and doubled; handicaps of all kinds, together with regulations that slow down our efficiency, have been placed upon us until we are unable to accomplish what we used to do in half the time that it takes now.

I am sure that by joining the oil business and the cotton industry in supporting this amendment, as their problems are so much alike, we will be able to keep two necessary industries healthy and alive and still do the war effort a great service by continuing to discover new reserves and by producing much-needed crude oil.

I am enclosing a copy of a statement which I had prepared from the records of the State of Kansas showing pools in Kansas discovered by individuals such as I am, and the major companies, together with other pertinent facts which I hope will be of interest to you.

Sincerely,

W. L. HARTMAN.

JUNE 1, 1944.

Senator ARTHUR CAPPER,

Washington, D. C.:

I noticed in the press where a bill was to be presented to Congress to extend the Office of Price Administration for 18 months with amendment attached that they would periodically adjust the price of cotton to parity. The oil producer has the same problem as cotton growers; that is, not enough price to allow the individual producer to stay in business, and everything has been done to no avail to get the O. P. A. to bring the price of crude oil up to a line of other commodities. I urge you to include oil with cotton in this amendment as our problems are so similar to the cotton industry. Please do all possible in your power to get crude oil included in this amendment.

W. L. HARTMAN.

Kansas pools	Discovered by—	June pool allowable		Kansas pools	Discovered by—	June pool allowable	
		Independent	Others			Independent	Others
Ainsworth-Arbuckle.....	M. B. Armer.....	32,894	-----	Breford-Arbuckle.....	Slick, Pryor & Lockhart.....	23,686	-----
Ainsworth-Lans. K. C.....	do.....	935	-----	Breford-Lans. K. C.....	do.....	8,423	-----
Albert.....	Treleaven & Brinn.....	16,707	-----	Burnett-Arbuckle.....	Central Petroleum.....	407,824	-----
Aldrich.....	Continental Oil Co.....	-----	12,544	Burnett-Lans. K. C.....	do.....	1,680	-----
Anness.....	Magnolia Petroleum.....	-----	915	Cairo-Viola.....	Skelly Oil Co.....	-----	1,477
Barrett-Arbuckle.....	I. W. Murfin.....	-----	-----	Canton-North.....	Empire.....	-----	1,558
Barry-Arbuckle.....	Continental Oil Co.....	-----	5,400	Carmi-Arbuckle.....	Hollow Drilling Co.....	22,901	-----
Bear Creek.....	Great Lakes Carbon Corporation.....	833	-----	Chase-Arbuckle.....	Ramsey Petroleum Co.....	418,734	-----
Beaver.....	Darby Petroleum Corporation.....	27,798	-----	Chase-Lans. K. C.....	do.....	22,798	-----
Beaver-Shallow.....	do.....	6,143	-----	Couch.....	Ryan.....	27,002	-----
Beaver, N.W.-Lans. K. C.....	N. Appleman.....	935	-----	Crowther-Chat.....	Westgate-Greenland.....	9,853	-----
Beaver, N.W.-Shawnee.....	do.....	894	-----	Cunningham-Lans. K. C.....	Skelly Oil Co.....	-----	79,259
Bedford-Arbuckle.....	Shell Oil Co.....	-----	20,986	Cunningham-Viola.....	do.....	-----	7,393
Belpre-Lans. K. C.....	Cities Service Oil Co.....	-----	862	Curtis-Arbuckle.....	Vickers & McMorow.....	2,473	-----
Bemis.....	Louis Roark.....	430,711	-----	Darien.....	Hartman-Blair.....	5,130	-----
Bemis, South.....	do.....	881	-----	Dayton, North.....	Carter Oil Co.....	-----	750
Big Creek-Arbuckle Gorham.....	Wakefield & Armer and Hartman-Blair.....	59,588	-----	Dayton.....	do.....	-----	24,200
Big Creek-Lans. K. C.....	Wakefield-Armer-Hartman-Blair.....	3,870	-----	Deichmann.....	Trees Oil Co.....	4,893	-----
Big Creek, South-Lans. K. C.....	do.....	6,586	-----	Deerhead, West-Viola.....	Champlin.....	2,005	-----
Bloomer-Arbuckle.....	Yarnell, Carlson & Spencer.....	193,941	-----	Doran-Arbuckle.....	C. H. Weaver.....	4,549	-----
Bloomer-Conglomerate.....	do.....	422	-----	Dorr-Lans. K. C.....	Cities Service Oil Co.....	-----	1,705
Bloomer-Lans. K. C.....	do.....	27,404	-----	Drach.....	Fred Rust.....	20,622	-----
Blue Hill-Arbuckle.....	Alva Billings.....	1,500	-----	Driscoll-Gorham.....	Haynes-Anschutz.....	833	-----
Blue Hill-Lans. K. C.....	do.....	14,211	-----	Dubuque-Arbuckle.....	Block & Bailey.....	3,349	-----
Blue Hill-Shawnee.....	do.....	2,793	-----	Dubuque-Lans. K. C.....	do.....	1,533	-----
Bornholdt.....	C. R. Craft.....	146,623	-----	Dunn's Mill-Arbuckle.....	Deep Rock.....	2,105	-----
Bowman-Arbuckle.....	Simpson-Noble.....	1,665	-----	Edwards.....	C. E. Skiles.....	85,331	-----
Bowman-Lans. K. C.....	do.....	3,264	-----	Ellis-Arbuckle.....	Darby Petroleum Co.....	2,670	-----
Brandenstein.....	Atlantic Refining Co.....	-----	1,708	Emmeram.....	Truro.....	3,899	-----
				Erway-Lans. K. C.....	Cities Service Oil Co.....	-----	843
				Feltes-Arbuckle.....	Day.....	22,162	-----
				Fischer.....	Stanolind Oil & Gas Co.....	-----	8,470

Kansas pools	Discovered by—	June pool allowable		Kansas pools	Discovered by—	June pool allowable	
		Inde- pendent	Others			Inde- pendent	Others
Forest Hill-Arbuckle	Central Petroleum Co.	7,025		Orth-Shawnee	Slick-Pryor-Lockhart		
Frog Hollow	Tulsa Oil Corporation	41,890		Orth, East-Arbuckle	do	3,254	
Frog Hollow, East	do	5,022		Otis	Morgan, Flynn & Milmax Oil	34,932	
Gates	Atlantic		10,951	Patterson	Stanolind Oil & Gas Co.		3,297
Genesee-Arbuckle	Continental Oil Co.		207,131	Pawnee Rock	Simpson-Noble	31,059	
Genesee-Simpson	do		834	Pawnee Rock, East	do	906	
Goodrich	Continental Oil Co.		31,264	Peace Creek-Viola	Simpson Oil Co.	252,471	
Gorham-Arbuckle-Gorham	Midwest Exploration Co.	143,634		Penny Wann	Kansas Oil & Gas Co. & John LeBosquet	815	
Gorham-Lans, K. C.	do	131,535		Penoke-Lans, K. C.	R. W. Shields	1,643	
Gorham-Shawnee	do	7,673		Pioneer-Arbuckle	John Harwood	1,673	
Gorham-Wabaunsee	do	863		Prosper-Arbuckle	Aylward	1,101	
Greenville-Arbuckle-Gorham	Magnolia Petroleum Corpora- tion		29,667	Rahn	Jock Garden	1,358	
Greenville-Lans, K. C.	do		21,034	Rattlesnake	Atlantic Refining Co.		798
Greenville-West-Arbuckle- Gorham	do		7,388	Ray	Derby Oil & Crow Drilling	91,369	
Grunder-Lans, K. C.	Cities Service Oil Co.		767	Ray, Southeast	do	835	
Gustason-Arbuckle	Central Petroleum Co.	750		Raymond-Arbuckle	Steinbuechel et al.	40,500	
Gustason-Northwest-Lans, K. C.	do	1,193		Richardson	Midwest Exploration Co.	22,573	
Gustason-Lans, K. C.	do	1,654		Riley-Lans, K. C.	Courtney B. Davis	56,916	
Hafferman-Arbuckle	Shell Oil Co.		8,025	Roesler-Arbuckle	Helmerich & Payne	1,810	
Hagan-Arbuckle	Herndon	2,822		Rothgarn	W. P. Faulkner	1,735	
Hall-Gurney-Arbuckle	Hartman-Blair	15,627		Roxbury	Westgate-Greenland	37,798	
Hall-Gurney-Gorham	do	39,156		Roxbury, South	do	5,151	
Hall-Gurney-Lans, K. C.	do	454,845		Rusch-Arbuckle	do	4,523	
Hall-Gurney-Pre Cambrian	do	2,190		Rusch-Lans, K. C.	do	1,950	
Hall-Gurney-Shawnee	do	4,609		Russell-Arbuckle	Tom Palmer	42,054	
Hall-Gurney-Wabaunsee	do	1,709		Russell-Lans, K. C.	do	2,713	
Harrison-Arbuckle	Palmer-Mid Continent			Russell, North-Lans, K. C.	do	893	
Hansen-Lans, K. C.	Cities Service Oil Co.		1,105	Salina-Viola	Westgate-Greenland	924	
Hazel-Arbuckle	W. P. Faulkner	3,410		Shaffer-Lans, K. C.	Atlantic Refining Co.		6,488
Heiken, North-Arbuckle	Ainsworth Bros.	1,747		Shallow Water	Atlantic Oil Producing Co.		8,385
Henderson-Arbuckle	Earl Wakefield	1,696		Shutts	Phillips Petroleum Co.		24,299
Henne	Westgate-Greenland	17,173		Silica-Arbuckle	Hilligos and others	626,220	
Herczog-Arbuckle	Gled Oil Co.	4,149		Silica-Lans, K. C.	do	13,205	
Hesston	Frank Hollow	913		Silica, South-Arbuckle	do	141,115	
Hizler	Stanolind Oil & Gas Co. & Amerada		33,577	Silica, NW-Arbuckle	do	750	
Hiss	Simpson-Noble	4,512		Sittner, South-Arbuckle	Tory & Feaster	18,368	
Hittle-Arbuckle	Arthur Brewer	74,652		Smyres-Chat	Nelson Drilling Co.	24,404	
Hoisington-Arbuckle	Perry Thayer	2,219		Snider-Simpson	L. A. Ferris	2,353	
Hoisington-Lans, K. C.	do	1,063		Snider-South-Simpson	do	7,589	
Hunter-Chat	Deep Rock	2,532		Spangenberg-Arbuckle	Phillips Petroleum Co.		1,003
Juka-Simpson	Skelly Oil Co.		29,280	Stafford-Arbuckle	Stanolind Oil & Gas Co.		913
Juka-North-Arbuckle	do		18,617	Stafford-Viola	do		41,651
Jerry-Lans, K. C.	N. Appleman	860		Stark, North-Viola	Lion Oil & Gas Co.	934	
Jordan-Lans, K. C.	Cities Service Oil Co.		6,923	St. John-Arbuckle	Atlantic Refining Co.		24,568
Karber-Arbuckle	C. L. Carlock	3,845		St. John-Lans, K. C.	do		912
Keighley-Simpson	Phillips Petroleum Co.		2,745	Stoltenberg	Tom Palmer	164,669	
Kipp	Skelly Oil Co.		22,144	Stoltenberg, Southwest	do	3,261	
Koblitz	I. W. Murfin	7,762		Studley-Lans, K. C.	Union of California		1,952
Kraft-Prussa-Arbuckle-Gorham	C. L. Price	318,920		Sugar Loaf-Lans, K. C.	Derby Oil Co.	4,286	
Kraft-Prussa-Lans, K. C.	do	21,279		Sugar Loaf, SE-Lans, K. C.	do	864	
Kraft-Prussa-Shawnee	do	8,895		Sun City-Lans, K. C.	Pryor & Lockhart	4,315	
Kraft-Prussa-South Lans, K. C.	do	750		Susank	M. B. Armer	4,250	
Kraft-Prussa-NE-Arbuckle	do	2,467		Trapp-Arbuckle	Coralina Oil Co.	742,041	
Kraus-Northwest	Vickers Petroleum Co.	750		Trapp-Conglomerate	do	915	
Krug-Lans, K. C.	Alva Billings	1,620		Trapp-Lans, K. C.	do	118,737	
Lake City-Arbuckle	Pryor & Lockhart	1,546		Trapp-Shawnee	do	3,767	
Lake City-Simpson	do	2,119		Turkey Creek	Aladdin Petroleum Co.	750	
Lantermann-Arbuckle	Murfin & Downing	4,051		Van Lieu-Arbuckle	Stanolind Oil & Gas Co.		2,023
Lantermann-Lans, K. C.	do	6,236		Vaughn-Arbuckle	Cities Service Oil Co.		2,976
Leesburgh	Continental Oil Co.		36,237	Vaughn-Gorham	do		775
Lindsborg-Simpson	Dickey Oil Co.	16,108		Vaughn-Lans, K. C.	do		24,532
Lindsborg-Viola	do	42,632		Walters-Arbuckle	Lario Oil & Gas Co.	48,820	
Lindsborg, SW-Viola	Falcon-Seaboard-Globe Oil	23,218		Webster	Aylward	1,021	
Marchand, West	York State Oil Co.	8,312		Wenke	Twin Drilling Co.	7,744	
Marshall	Lario Oil & Gas Co.	24,854		Wenke, West	do	1,364	
Max-Arbuckle	E. F. Moran	11,071		Westbusin	L. C. Dean & Kiskadden	14,544	
Max-Lans, K. C.	do	1,738		Whelan	Lario Oil & Gas Co.	21,190	
Morel	Continental Oil Co.		63,270	Wilkins	Mid Plains	69,775	
Mueller-Arbuckle	Tory & Feaster	2,123		Wilkins, SE-Arbuckle	do	4,236	
Mue-Tam-Arbuckle	Lario Oil & Gas Co.	750		Williamson-Lans, K. C.	Tony Witt	13,939	
Nunn	Atlantic Refining Co.		3,030	Williamson-SE-Lans, K. C.	Hartman-Blair	761	
Orth-Arbuckle	Slick-Pryor-Lockhart	10,292		Zenith	Stanolind Oil & Gas Co.		340,306
Orth-Lans, K. C.	do			Zenith, West	do		750
						6,290,607	1,182,687

Number of pools listed on June report	208
Number of pools listed on report discovered by majors, 25 per cent	51
Number of pools listed on report discovered by independents, 75 per cent	157
June allowable allocated to pools discovered by majors, 16 per cent	1,182,687
June allowable allocated to pools discovered by independents, 84 per cent	6,290,607
Number of pools discovered by:	
Cities Service Oil Co.	10
Atlantic Refining Co.	8
Stanolind Oil & Gas Co.	8
Continental Oil Co.	7
Skelly Oil Co.	6
Socony-Vacuum Oil Co.	4

Number of pools discovered by—Continued	
Phillips Petroleum Co.	3
Shell Oil Co.	2
Carter Oil Co.	2
Union of California	1
Gulf Oil Co.	0
Tidewater Oil Co.	0
Standard of Ohio	0
Sinclair-Prairie	0
The Texas Co.	0
Hartman-Blair, Inc.	11

Mr. REED. Mr. President, if I may have the attention of the Senate, I promise to finish at 5:45 p. m., which is 10 minutes from now.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. REED. If I am to finish at 5:45, I cannot yield to the Senator from Connecticut or any other Senator.

The PRESIDING OFFICER (Mr. DOWNEY in the chair). The Senator declines to yield.

Mr. REED. Mr. President, the case has been so well stated that little additional can be said. Not much needs to be said. I wish to supplement what the Senator from Oklahoma [Mr. THOMAS] and the Senator from Texas [Mr. CONNALLY] have said by reading from a report on this subject by a special committee of the Senate appointed to investigate the Midwest fuel situation. The report of that committee was submitted on September 15, last. The senior Senator from Missouri [Mr. CLARK],

the Senator from Nebraska [Mr. WHERRY], and I submitted a report which read in part as follows:

The committee is definitely of the opinion that every circumstance justifies an increase in the price of crude oil. The committee doubts whether the increase suggested by Petroleum Administrator for War Ickes of 35 cents a barrel is sufficient to bring the necessary added exploration. The committee is more disposed to the thought that in view of the continued increasing costs prevalent throughout the entire producing oil fields a minimum of 50 cents per barrel increase should be allowed. In fact, the committee believes that perhaps a 60-cent increase is necessary. This is included among the recommendations of the committee.

Let me deal for 2 or 3 minutes with the stripper-well question. Stripper wells are wells which once had flush production. They have come down to the point where they produce, on the average, only 2.8 barrels of oil a day, but there are 293,000 of them, and they produce 14 percent of the total petroleum produced in the United States. Those wells are going out of existence, and operation is being stopped because the low price of oil, from their viewpoint, plus the high operating costs which have come to all the oil industry, have made it impossible to continue the operation of stripper wells.

There are more than 3,000,000,000 barrels of reserves in stripper wells, which can be produced by what is known as secondary recovery. However, that requires an additional expenditure which the present price of oil will not justify. If a fair price of oil could be given to the owners and operators of the stripper wells—and let me say to the Senator from Pennsylvania [Mr. Davis] that Pennsylvania has more of them in proportion to its production than any other State—they would spend the money to recover the additional 3,000,000,000 barrels of reserves. There is no other place where we can go with such a degree of certainty and security. So much for the oil question.

Mr. MALONEY. Mr. President, this matter is so exceedingly important, and may result in such terrific cost to the Government should the proposed amendment be adopted, and should the bill fail of veto, that I shall wish to discuss it at some length unless I can be assured of a record vote being taken on the question. I know the anxiety of Senators for action. I know that Senators are likely to become impatient with a lengthy discussion at this late hour. I appreciate the need for haste, as described by the majority leader. I also appreciate the need for affording relief to certain oil producers. But, the method proposed is not the proper one. We should not create the kind of a gusher which we are asked to create in an effort to help some distressed producer. The proposal goes so far, in my judgment, that if it be adopted we shall rue the day we allowed it to become law. The country cannot much longer stand these tremendous costs.

I have a feeling that with greater light on the subject that somehow and in some way, what we have done today may be undone in the next several days. I have

no desire further to delay the Senate. Mr. President, I ask for the yeas and nays, and if that is granted I shall not delay the Senate much longer.

Before taking my seat, I should like to say that this matter has been referred to a subcommittee of the Committee on Banking and Currency of which the distinguished chairman of the Committee on Banking and Currency is also chairman. I think it should have careful study of the committee.

The PRESIDING OFFICER. Is the request of the Senator from Connecticut for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. MALONEY. Mr. President, the matter has been referred, as I have said, to a subcommittee of the Committee on Banking and Currency. It is important that an effort be made to help the distressed small independent producer. It should have the early consideration of the Senate. I am anxious to do what I think the very able Senator from Oklahoma is anxious to do; namely, to provide relief for the small producer; but I do not think it should be done by providing hundreds of millions of dollars to all oil producers in the country, regardless of what their financial status may be, or regardless of what their profit situation may be at this time.

Mr. WAGNER. Mr. President, I wish merely to say that I concur in what the distinguished Senator from Connecticut has said with reference to the so-called oil bill. I have forgotten who introduced it in the other House. It is now before the subcommittee, of which I am chairman, and as soon as we complete consideration of the so-called O. P. A. bill, we will seriously consider the amendments in the subcommittee.

In reference to the pending amendment, I wish to read a statement. I am not at all familiar with the subject of oil. I am not an authority on it, and anything which I myself might say would be of very little consequence. However, I wish to read from a report of the division in the O. P. A. which has charge of the oil situation. It reads as follows:

This amendment would force an increase in oil ceilings by about 67 cents per barrel, equivalent to an increase of more than 50 percent above the present ceiling. This would increase the cost of oil and its products to the public and the Government by more than a billion dollars, and would add this sum to the earnings of the oil companies, which now far exceed their peacetime earnings.

Oil is not unique in being below this 1926 parity. Three hundred and two of the eight hundred and eighty-nine commodities included in the B. L. S. index are below their 1926 parities. Creation of such a highly favorable special pricing standard in the case of oil would give each of the other commodities among these 302 an equally justifiable case for 1926 parity.

Mr. HATCH. Mr. President, it is regrettable that this matter is now going to a record vote when there has been so little discussion of it. I know that many Senators are interested, and the whole subject should be discussed and fully explored and understood by the Senate. I myself should like to address the Senate

at length on the oil conditions in the State of New Mexico, a State which has been largely developed by independent producers.

What the Senator from Texas said about his State is true of mine as well. I have received messages from the officials of New Mexico, such as our Governor and others engaged in the production of oil. Not only recently, but for years they have asked for a substantial increase in the price of oil.

The distinguished chairman of the committee read from the report of the O. P. A. as to what this proposal, if adopted, would cost and how it would benefit the oil companies, and that statement has been repeatedly made by the Office of Price Administration, as though every oil company were making tremendous profits, which it was said far exceed peacetime profits.

I have on my desk a reply to that statement, prepared by the Independent Petroleum Association. I wish I could discuss all the facts which have been developed, but I call attention to this statement:

According to published reports of the Treasury Department, a majority of the companies engaged only in production of oil—

Merely in production—

were losing money even before the addition of the wartime costs and difficulties.

It is said that the companies that are making these profits are limited to 10 or 20. That does not take into consideration the thousands of independent producers, the men who drill for oil and sell oil alone.

As I have said, I regret very much that this matter comes up at this late hour. Reference has been made to the bill pending before the committee. It has been there a long time. It passed the House of Representatives some time ago. Several different committees have already studied this problem. The Committee on Public Lands and Surveys more than 2 years ago recommended to the Senate an increase in the price of oil. The Office of Petroleum Administration for War has devoted its facilities for months to that question, and has recommended an increase, but the Office of Price Administration has refused to act.

Mr. MOORE. Mr. President, in refutation of the statement about the enormous profits made by the oil companies, I wish to say that the oil companies producing oil, and refining and selling refined products, are making money, but the fact is not disclosed that this is a liquidating proposition that is going on with the great number of wells that have been drilled throughout the country, which are often spoken of by the Stabilization Director and by the circulars issued. There is not a single committee or a single agency anywhere that has not recognized the justice of an increase in the price of crude oil for the purpose of building up the oil reserves.

When it is said the companies are making money, I want the Senate to understand that they are not making money, they are liquidating the stock on

their shelves, they are selling off their reserves at a price, and so fast that it simply means that they are taking in money and not profits, and these profits have to be used from now on to enable them to go out into the country and build additional reserves, for replacement. The cost of replacement today is away beyond the present price of crude oil.

It is false to say that these profits are accruing to these companies, for they are liquidating the business, and the small producers throughout the country can never again, at the present price, replace the reserves they are liquidating today.

Mr. HATCH. Mr. President, I am about to make a statement in which I think I am correct, and I am sure the Senator from Oklahoma will correct me if I am not. If I am not misinformed, the Phillips Petroleum Co. in 1941 actually posted, or was about to post, an increase of 25 cents a barrel on the price of crude oil. That was before the Stabilization Act was passed. Mr. Henderson requested that that increase, which was being voluntarily posted at that time, be withheld until the matter could be adjusted. It was withheld, and it has been in the course of adjustment ever since, except that the price of oil was frozen. Even that voluntary increase was not granted. Am I correct in that statement?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. HATCH. I repeat, I regret very much that this matter comes up at this late hour, and I wish the Senate could thoroughly explore the whole subject, although the Senators who have spoken, the Senator from Oklahoma [Mr. THOMAS] and the Senator from Texas [Mr. CONNALLY], have fully shown the necessity for the increase.

Mr. DAVIS. Mr. President, I shall take but a moment or two, and I speak at all only because the stripper wells in Pennsylvania have been referred to.

Former Representative Evan J. Jones, who is one of the best informed men on oil matters in the State of Pennsylvania, has told me that in the Bradford field the operators are now down to seepage production, and do not have the money with which to develop, nor can they borrow, and that if they are not afforded some relief of some kind by the Congress, the result will be that in the northern part of Pennsylvania and in the western part of New York those wells will be closed down.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a portion of the letter received from former Representative Evan J. Jones, of Bradford, Pa.

There being no objection, the extract from the letter was ordered to be printed in the RECORD, as follows:

BRADFORD, PA., June 6, 1944.

Hon. JAMES J. DAVIS,
Senate Office Building,
Washington, D. C.

DEAR JIM: This confirms my phone talk a minute ago, urging you to give support to the amendment to the O. P. A. Renewal Act, affecting the increase in the price of crude oil. I take it from our phone discussion,

that you have the opinion that the present price of Pennsylvania crude is sufficient to justify increased development with proper returns to the owner. With the exceptional producer, that is to say, the man or company who has financial backing, or sufficient financial strength of his own, and who can drill up and apply water pressure in his property, this conclusion may have merit, but it is not sound to the vast majority of individual producers. They are down to a seepage production on existing wells. They cannot afford to develop their property on the present price of oil because they don't have the money to do it, and they could not borrow the money to do it.

You must remember that secondary recovery by water pressure is localized. The Bradford field and the Allegheny field, New York, are the only fields in the Pennsylvania area that can use water safely and successfully as a pressure. Other fields in Pennsylvania area, such as the Venango or Oil City field, Butler, Allegheny, Pennsylvania, and West Virginia field and East Ohio cannot use it successfully, and in many cases application is disastrous. The Pennsylvania area takes in all these fields. I am thinking about the producers as a whole and not the specific lease or property owner such as the South Penn or the Tide Water or other large financially supported holdings. There are also certain conditions in the Bradford field which are as distressing as in the lower area. A large part of properties in this field have reached their economic limit. That is, their production costs, because of the high water-oil ratio, are such that they are being forced to abandon these properties when they still have a fairly good daily average production. In 1943 a survey was made of eight different properties abandoned in the Bradford field because of excessive production costs. The aggregate daily average production of these eight properties amounted to between 150 and 160 barrels per day—a considerable amount of high quality oil to be abandoned when you consider that the national average of lubricant recovery from all crude, including Pennsylvania, is 2.8 percent and the customary recovery from the Pennsylvania crude is 23 percent. An increase in the price of oil would mean a considerable extension of the economic life of a large part of properties in the Bradford field. Lands are being abandoned in the lower area (that is, in the Venango, Butler, and Allegheny fields, and also in West Virginia and Ohio) at a terrific rate, simply because the junk value of the material in the well is worth more than the oil produced. This trend must be stopped if we are to conserve our oil reserve in the State of Pennsylvania.

These independent producers that have that situation need an increased price and as I look at it, it is the only thing that will result in continuing production. Your immediate personal interest, undoubtedly, is to help the Pennsylvania producers, and I say to you without any equivocation, that there is a need for the increased price of crude to these producers in order to induce them to expend money to develop their respective properties and thereby increase production during this emergency.

Very truly yours,

E. J. JONES.

Mr. TAFT. Mr. President, there is very much the same type of stripper wells in Ohio to which the Senator from Pennsylvania has referred as existing in Pennsylvania. I think it is purely a question of administration as to whether those wells should have 30 cents or 40 cents or a dollar more for the oil produced. I think the administration has held them too tightly. But I do not see how the Senate can undertake to say

that a particular price of a particular product shall be so many cents higher than the Price Administration says it shall be.

There were at least a dozen industries represented before our committee, who presented stronger cases than did the oil industry. We heard the oil industry at length. I was convinced of the justice of the arguments of many of the other industries more than I was convinced of the justice of the arguments of the oil industry.

As a legislative matter, I do not see how we can undertake to pass upon price after price of thousands of products in the United States. If we enter upon that field, it seems to me we will become hopelessly involved.

Mr. VANDENBURG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBURG. I merely wish to join myself with the observations now being submitted by the Senator from Ohio. I come from a State which is developing into a substantial oil-producing State, and there is no question in the world about the fact that O. P. A. has not treated oil and petroleum adequately and fairly. There is no question in the world about the validity of the argument for better treatment. But, in my humble opinion, there is no validity on earth for ever trying to start to reach specific price controls on the floor of the United States Senate, if we expect to hold the line against inflation very long, and, so far as I am concerned, I shall vote "nay."

Mr. MOORE. Mr. President, I should like to say to the Senator from Ohio and the Senator from Michigan that I am just as firmly convinced as they can possibly be that it is no function of the United States Senate or of the Congress to legislate prices; but after listening to the excoriating address of the Senator from Ohio about the Price Administration, and after all that has been said by all the Senators who have spoken of how the Administrator and this agency have administered these prices, I am convinced we cannot expect to get anything fair from them.

As I stated before, to begin with, there is only one way in the world to get justice for this enterprise, and not have it destroyed, and that is for the Senate and the Congress to move as they are moving. It would not have been necessary to adopt the Bankhead amendment except for the fact that its advocates said they could not get an exercise of authority by the Administrator, but discriminations were made, and discriminations are being made now against the oil industry, to the destruction of a large segment of that industry. The purpose is well known.

If the Senate will do what it should do, in my opinion, it will admit that the administration of the price control law has been a mistake, and has not at all resulted in the prevention of inflation, but has created the greatest inflation ever known in this country. It has not been noninflationary; it has produced inflation. It has produced a disrespect for law, and it has not only done that, but it is producing an inflation the like

of which was never before known. It is well known that \$21,000,000,000 in currency are floating throughout this country. That \$21,000,000,000, or a large part of it, is used for the specific purpose of running black markets, and for the specific purpose of evading taxes. If the laws had been honestly administered it would not be necessary for a Senator to rise on the floor of the Senate today and advocate the fixing of prices. But unless Congress wants to abolish the Office of Price Administration—and I candidly think it ought to be done—the only thing the oil industry and the other industries have left to do is advocate the fixing of prices.

Mr. RADCLIFFE. Mr. President, I shall not detain the Senate for more than a moment at this late hour. I find myself totally at variance with the statement made by the Senator from Oklahoma. Many things have been done by the Office of Price Administration with which I do not agree, but most assuredly I think there has always been an attempt by Chester Bowles and his associates to administer the act honestly. I know that a vast amount of effective work has been done under unprecedently trying and often baffling circumstances. Many mistakes have occurred, and many things have been done differently from the way in which you and I may think they should have been handled, and many of them have possibly been handled contrary to what was really the best interests of the country.

The fact remains, however, that conscientious and successful efforts have been made to handle a problem which is as complicated, intricate, and as essentially unpopular as any problem which has ever arisen in this country. The O. P. A., whatever its shortcomings, and these are being constantly lessened, has been a most important and indispensable factor in the fight against inflation.

But, Mr. President, I think the proposition now made to provide specifically by legislation in Congress for an increase in price, especially in the tremendous amount which is provided for by the pending amendment, would be a very unfortunate and unjustifiable move indeed, and I sincerely hope the amendment will not prevail.

SEVERAL SENATORS. Vote! Vote!

Mr. MALONEY. Mr. President, no matter how anxious the Senate may be to vote, I am not going to sit silent under this indictment of Chester Bowles. I am certain that the charge or insinuation that he has not administered his office honestly finds no confirmation among Members of the Senate. I have never heard a committee of the Senate give such praise to a Government official as Chester Bowles received from the Committee on Banking and Currency of the Senate a few weeks ago. I think he has done an admirable job.

It so happens that he comes from my State, and it so happens that he is a long-time dear personal friend of mine. Most Senators know that Mr. Bowles has been an exceedingly successful businessman. Those who do know about him know that most of his business success came by way of the very large corpora-

tions of this country, that kind of large corporation which at the present time in a few instances, is endeavoring to overcome the regulations and the rules of the Office of Price Administration. I think it would be half natural if Mr. Bowles had yielded in some instances to those who had during the years been his close friends and his clients. But rather than discovering such a situation, we find a man, a self-effacing, good, honest, and able man, who has been willing to submerge all his personal feelings because of devotion to his country.

I know, because he is my friend, that he does not like the job any more than any other man would like it, but he stays on because it affords him a chance to be of service to his country. I know that from the standpoint of comfort if he followed his personal feelings he would long since have gone home. I know that if he sought comfort for himself he would never have come into this Washington position, because he had been Administrator of the Office of Price Administration in Connecticut for a long time, and he knew its discomforts and its dangers. He came here with an understanding of the fact that there would be mistakes, that his was the most unpopular assignment in the country, and that there was little likelihood that he could win very wide public applause.

Mr. President, I say it is a shame to have it said on the floor of the United States Senate that there has been dishonesty in the management and direction of this organization, which in my judgment has come to pretty rich success under the able leadership of the present Administrator.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BARKLEY. I am sure the Senator knows, as all other Senators know, and as every informed person knows, that there was never a great war in the world that did not result in an increase in the circulation of money, that did not result in a certain degree of inflation, because the very expenditure of unusual sums of money and the creation of large debts and large taxes in order to obtain the money, creates automatically a spending power which it is difficult to curb. Certainly it is not true that under the administration of Mr. Bowles or any of his predecessors in the O. P. A. the greatest inflation has taken place that ever occurred in the history of the United States.

Mr. MALONEY. I was coming to that point, of course.

Mr. BARKLEY. No one who is familiar with what happened after the last war can say that; and it is incredible that any responsible man on the floor of the Senate should say that the \$21,000,000,000 in circulation in the United States is brought about for the deliberate and specific purpose of creating black markets.

Mr. MALONEY. I had intended to discuss that phase of this matter, Mr. President, but with the majority leader's contribution I have said about what I wanted to say. There has been no inflation in this war period comparable

with that of the last war. We have not had wartime inflation in a real serious sense. Of course our experience has been painful; of course the situation here and there has gotten out of hand; but by comparison with every other wartime period in history we have sailed this tempestuous sea quite successfully.

Mr. President, I want to say a word more before I close. I do not think the able Senator from Oklahoma [Mr. MOORE] intended to say what he did say. I do not think his words conveyed his feelings. I know how intensely he feels about the oil situation, with which he has had so much experience, and I choose to think that it was because of the intensity of his feeling in that respect that he overstated his own personal feelings. Feeling that way, I should not have challenged it except for the fact that I should be extremely ashamed of myself if I sat here in the Senate and permitted the indictment of a man who has earned my great respect and who I think has earned and does have the respect of the great majority of the American people.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MILLIKIN. Mr. President, I ask to be excused from voting, under rule XII. If the pending amendment were agreed to, I might derive an indirect financial benefit. If I felt free to vote, I should vote "yea."

The PRESIDING OFFICER. Shall the Senator from Colorado, for the reasons assigned by him, be excused from voting? The Chair hears no objection, and the Senator is excused from voting.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness. I am advised that if present and voting the Senator from Virginia [Mr. GLASS] would vote "nay."

The Senator from Montana [Mr. MURRAY] is detained in a committee meeting.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business. I am advised that the Senator from Florida [Mr. ANDREWS], the Senator from Rhode Island [Mr. GREEN], and the Senator from Maryland [Mr. TYDINGS], if present and voting, would vote "nay."

The Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are necessarily absent. I am advised that if present and voting, the Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. GILLETTE], and the Senator from Florida [Mr. PEPPER] would vote "nay."

The Senator from Arizona [Mr. HAYDEN], who is detained on public business,

has a general pair with the Senator from North Dakota [Mr. NYE].

The Senator from Utah [Mr. THOMAS], who is necessarily absent, has a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I am advised that if present and voting the Senator from Utah would vote "nay."

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

Mr. WHERRY. I announce the following general pairs:

The Senator from Illinois [Mr. BROOKS] with the Senator from Maryland [Mr. TYDINGS];

The Senator from North Dakota [Mr. NYE] with the Senator from Arizona [Mr. HAYDEN]; and

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from Utah [Mr. THOMAS].

The Senator from Delaware [Mr. BUCK], the Senator from North Dakota [Mr. LANGER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The result was announced—yeas 25, nays 42, as follows:

YEAS—25

Bankhead	Eastland	Overton
Bilbo	Hatch	Reed
Butler	Hawkes	Robertson
Capper	Johnson, Colo.	Stewart
Caraway	Kilgore	Thomas, Idaho
Chandler	McClellan	Thomas, Okla.
Chavez	McFarland	Wherry
Connally	Moore	
Davis	O'Daniel	

NAYS—42

Aiken	Gerry	Shipstead
Austin	Gurney	Taft
Ball	Hill	Truman
Barkley	Holman	Tunnell
Brewster	Jackson	Vandenberg
Burton	La Follette	Wagner
Byrd	McKellar	Wallgren
Clark, Mo.	Maloney	Walsh, Mass.
Cordon	Maybank	Walsh, N. J.
Danaher	Mead	Weeks
Downey	Murdock	Wheeler
Ellender	Radcliffe	White
Ferguson	Reynolds	Wiley
George	Russell	Willis

NOT VOTING—29

Andrews	Green	O'Mahoney
Bailey	Guffey	Pepper
Bone	Hayden	Revercomb
Bridges	Johnson, Calif.	Scrugham
Brooks	Langer	Smith
Buck	Lucas	Thomas, Utah
Bushfield	McCarran	Tobey
Clark, Idaho	Millikin	Tydings
Gillette	Murray	Wilson
Glass	Nye	

So the amendment of Mr. THOMAS of Oklahoma was rejected.

Mr. REED. Mr. President, I wish to discuss the Price Control Act generally.

The roll calls in the Senate during this week have been the most revealing of any roll calls which have ever occurred in my presence and during my service in the Senate. There has been no organization between the other side of the aisle and this side. There has been no organization between the representatives of the cotton States of the South and representatives of the farmers of the North. Yet every roll call which has been taken this week has demonstrated that an overwhelming majority of the Members of the Senate voted along the lines of a rather definite policy. I account for that fact in this way: In 1942 a message

was sent to the Congress of the United States which would have declared a dictatorship unless Congress had enacted certain legislation. Congress enacted the legislation requested. Under an Executive order of the President, written before the bill which had been requested was passed by this body, there was set up a policy which has been followed to this date, notwithstanding the fact that on every occasion on which Congress has had a chance to state its views, it has taken a course in the opposite direction. I interpret the sentiment revealed by the roll calls during the past week as indicating a definite feeling on the part of Congress that the time has come for it to legislate regardless of the views and the declared intention of some of the executive agencies to continue their established policies notwithstanding the views of Congress.

Mr. President, last December I made a speech from where I now stand, dealing with important factors relative to price control and inflation. I left Washington about the middle of February for a vacation. After I had gone there came to my office a letter from Mr. Chester Bowles, Price Administrator. The letter was approximately five pages in length, and it discussed the remarks which I had previously made in the Senate. After I returned to my office and had time to do so, I prepared an answer to Mr. Bowles in which I discussed the entire question. Rather than consume the next 20 or 30 minutes of the time of the Senate by repeating the remarks which I previously made on the floor, or reading the letter which I wrote Mr. Bowles, I ask unanimous consent that the letter be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. MALONEY. Does the Senator wish to put Mr. Bowles' letter in the RECORD also?

Mr. REED. If the Senator thinks that it is desirable, I shall be very happy to put Mr. Bowles' letter in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none and it is so ordered.

The correspondence referred to is as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., February 24, 1944.

Hon. CLYDE M. REED,
United States Senate.

DEAR SENATOR REED: Just prior to the Christmas holidays you presented some rather elaborate statistics to the Senate and drew conclusions therefrom. Ever since then I have been wanting to give you my reaction to them.

First you presented an array of figures showing the powerful accumulation of inflationary pressures and stated that anyone was either dumb or dishonest who said that in view of these forces, prices could be held under control.

The facts you presented were correct and impressive, but the truth is, that in spite of these pressures, prices have been controlled to a great extent—far better than in the last war, when inflationary pressures were much less powerful.

After 52 months in the last war living costs had risen 61.8 percent. In the present war, in a like period with pressures greater, they have been held to a 26.2 percent rise. However, all but three-tenths of 1 percent of the present rise occurred prior to last April, when the hold-the-line order was issued, and the subsidy program went into effect. Since then, for 9 difficult months, the cost of living index has remained almost level. In view of the great inflationary pressures which you so clearly pointed out, this is, I think you will agree, an extraordinary achievement.

The increase in living costs has come about largely through a rise in food prices of 57.1 percent. All other living costs have been held to far lower gains, rents to an increase of only 3.5 percent.

The best job, however, has been in controlling the prices of basic materials entering largely into the cost of the war. Let me give you a few comparisons between the price rises of such materials in this and in the last war.

Commodity	World War No. 1 (51 months)	World War No. 2 (51 months)	World War No. 1 (inflation peak)
	Percent	Percent	Percent
Steel plates.....	187	0	695
Pig iron.....	145	14	304
Copper.....	93	15	165
Zinc.....	80	70	345
Anthracite coal.....	43	26	65
Bituminous coal.....	135	22	264
Lumber.....	71	59	72
Tin.....	156	0	228
Cement.....	76	0	276
Coke.....	171	19	268
Glass (plate).....	81	0	81
Petroleum.....	200	13	215
Lead.....	106	29	195
Wool (wholesale).....	203	62	264
Cotton (wholesale).....	137	106	222

As a result of the large price increases of the last war, the war which had a necessary cost of \$17,000,000,000, actually cost \$32,000,000,000, some \$15,000,000,000, or 47 percent was added by price increases. We still are paying interest on the price increase cost of the last war.

But here is the most impressive fact of all. Had prices advanced in this war as they did in World War No. 1, the war to date would have cost \$65,000,000,000 more than it has cost. Roughly speaking, 1 year's interest on this sum equals the cost of O. P. A. and all subsidy payments to date. In view of these facts I don't think it dishonest to say that prices can be controlled in spite of the great inflationary pressures you so clearly pointed out. They have been controlled.

The second point made in your talk was that we have had no real inflation in this war, since only now have we approached the price level of 1926, said to be a normal, prosperous business year.

There seems to be some incompatibility between the claims; that we are dishonest for saying that prices can be controlled; and saying that there has been no inflation, for if there has been no inflation, then prices have been controlled.

But it does not seem clarifying to let the matter rest with that statement, for the assumption that 1926 was a normal price year is far from correct. Here are annual cost-of-living figures from 1921 to 1942 and monthly figures for 1943.

1922.....	119.7
1923.....	121.9
1924.....	122.2
1925.....	125.4
1926.....	126.4
1927.....	124.0
1928.....	122.6
1929.....	122.5
1930.....	119.4
1931.....	103.7

1932.....	97.6
1933.....	92.4
1934.....	95.7
1935.....	98.1
1936.....	99.1
1937.....	102.7
1938.....	100.8
1939.....	99.4
1940.....	100.2
1941.....	105.2
1942.....	116.5
1943:	
January.....	120.7
February.....	121.0
March.....	122.8
April.....	124.1
May.....	125.1
June.....	124.8
July.....	123.9
August.....	123.4
September.....	123.9
October.....	124.4
November.....	124.2
December.....	124.4

From these figures it is clear that living costs were higher in 1926 than at any time from the end of the World War No. 1 boom period up to the last half of 1943. This being true, it is no more correct to call the peak of a 22-year period a normal year than to call the low year of the 22-year period—1933—a normal year.

Looking back to 1926 and saying that we have no inflation because only now have we gone over the 1926 peak, is like standing on a mountaintop, looking across a wide valley to another distant mountain, and saying that one is not on a mountaintop because there, off in the distance, is another bit of land just as high.

The surest guaranty of inflation would be to let each production group pick its peak price year and have its prices adjusted on that basis.

I have repeatedly stated the opinion that some upward adjustment of farm prices was called for since they had been too low for farmer or national welfare; but, in my opinion, they have now gone as high as they should go, for the welfare of the farmers. Even as it is, farm-land prices have risen considerably and it will be difficult to maintain farm prices at their present high level.

I wonder if you ever have occasion to study what happened after the World War No. 1 inflation. The prices of principal farm products dropped as follows in the years 1921-22, following the inflation peak:

	Percent
Wheat.....	65
Corn.....	78
Oats.....	71
Cotton.....	76
Potatoes.....	85
Rice.....	79
Peanuts.....	73
Lambs.....	61
Hogs.....	66
Beef cattle.....	57
Butter.....	53
Milk (wholesale).....	32
Eggs.....	73
Hens.....	39
Oranges.....	75

As a result per capita farmer income declined from \$1,430 to \$554 in 2 years and total farm income declined from \$9,249,600,000 to \$3,603,000,000. And in the next 5 years 453,000 farmers lost their farms through mortgage foreclosures. If there is any way to prevent it, I am sure we all want to prevent a repetition of such a situation.

As things stand, in spite of higher costs, especially of farm labor, the farmers have benefited more from the war than any other group in the population, unless it be some of the war contractors. If one calls the 1936-39 level 100, the index of the take-home pay of industrial workers in 1943 reached 182.

But the net farm operator income, with all increased costs of farming deducted as expense, reached 295—a 113 percent greater gain. Of course, corporation earnings before taxes far outran all other gains, and totaled 336 percent; but corporation taxes were very heavy and brought net corporation earnings to 110 percent over the pre-war level.

No one begrudges farmers their gains. Their annual earnings were low at the start and still are far below nonfarm income. But I am of the opinion that while individual adjustments still are in order, any further general gain in farm prices will not be in the interest of the farmers. With no further gains farm prices have advanced so much that a distressing post-war decline may be difficult to prevent.

We here in the Office of Price Administration have tried hard to perform a difficult wartime task sincerely and faithfully. Although I do not for 1 minute claim that we haven't made some mistakes, I do believe that in view of the many pressures and obstacles we have encountered along the way we have succeeded in our efforts to keep prices and rents in line and prevent a ruinous inflation.

If you would like to sit down and talk this whole broad subject of price control and the work we are doing here with me at any time, please let me know and I will arrange my time to suit your convenience.

Sincerely,

CHESTER BOWLES,
Administrator.

UNITED STATES SENATE,
April 20, 1944.

Hon. CHESTER H. BOWLES, Administrator,
Office of Price Administration,
Washington, D. C.

DEAR MR. BOWLES: I have read with interest your testimony before the Senate Banking and Currency Committee relative to price-control legislation. I hope to be able to discuss with that committee the same subject matter, during the present hearings.

Your letter of February 24, having reference to the facts presented in my speech in the Senate on December 17, reached my office while I was away for a period of a few weeks. I am only now able to give it the consideration to which it is entitled because of your important position.

Your appearance before the Senate Banking and Currency Committee was subsequent to the writing of your letter. Your testimony there covered much the same material as your letter to me. I judge from the record that everybody, including yourself, had a good time. The documents you filed are interesting. The less one knows about the subject, the more he would be impressed. I think there is a general agreement that you strengthened your reputation as a good advertising man.

One of the points on which the New Deal agencies and New Dealers are fairly entitled to criticism is the extent to which they arrogate to themselves all of the virtue and wisdom possessed by men in public life. No credit is ever given to the other type of people. They seem to think that this question of price control is subject to copy-right by them. May I remind you that I began to vote for price control legislation in the Senate while you were still in the advertising business. I have consistently voted for all such legislation.

In the second paragraph of your letter you impute to me a statement that prices could not be held under control. I have never made any statement of that kind. In my speech of December 17, I did refer to the difficulty of holding prices "to some recent level in the face of these factors." In using the term "recent level" I was referring to the statistical period universally used by your school of thought, namely, the years 1935-39. That was a depressed period,

especially for farm products. I do not know of any economist of any standing who believes that prices could be or should be held to that subnormal level. I have stated, and I repeat now, that the American farmer, especially, and American business, in general, could not exist with prices at such a depressed level.

You criticize my use of the year 1926 as a basis for comparison and refer to it as a "mountain top" of inflation. My statement was:

"The year 1926 has been used by dependable statistical agencies as a base year for comparison of prices and living costs."

May I bring to your attention the fact that one of the leading statistical agencies dealing with this question is the Bureau of Labor Statistics in the Department of Labor? This Bureau is quoted more frequently than any other, perhaps as frequently as all other agencies combined.

The Bureau of Labor Statistics still uses 1926 as its base period for wholesale prices. Its current reports are made on that basis. This basis, for comparative purposes, has been written into many escalator clauses in important war contracts.

The Federal Reserve bank, over a period of years, used 1923-25 as its basis. Other statistical organizations used 1925-29, and still other statistical agencies used some combination of years between 1923 and 1930 as an index of what was regarded as reasonably normal business conditions. The difference between using 1926 alone, or any of the others, or for that matter, all of the years mentioned in this paragraph, is not great. The fact that the Bureau of Labor Statistics still uses 1926 is, I think, a conclusive answer to your criticism on this point. I realize it is easy for a person with little experience in production to make criticism that is not soundly based. I do not question your good faith. I only question your information and experience.

As far as I know, there is no authoritative voice asking for any general increase in farm prices. The farmer started from the lowest level of anybody in the 1935-39 period. He had a much longer distance to travel to obtain some reasonable relationship than did anybody else. To those of us who have lived with this question for a generation, your statement that "some upward adjustment of farm prices was called for, since they had been too low for farmer or national welfare," is definitely an understatement. We are not greatly impressed with your statement, "In my opinion they have now gone as high as they should go for the welfare of the farmer." I doubt if your brief experience with the O. P. A. qualifies you to pass a competent judgment upon fundamental policies necessary to the welfare of the farmer. Myself and others have been concerned about the farmer's welfare throughout all the years. We welcome your addition to our ranks, even if you are tardy in joining up.

While I am on this particular point I think the farmers and their advocates, of which I am one, will be further interested in your statement that "their annual earnings were low at the start and are still far below non-farm income." You seem to think that is all right. While you favor "individual adjustments," you state that "any further general gain in farm prices will not be in the interest of the farmers." I will be glad to have the basis for a view that farm population should be permanently condemned to a wage and price level lower than the nonfarm population. Is this your conception of equality as between important classes of our citizenship?

I have not, at any time, opposed price control. In fact, I have favored price control and all legislation to that end. I have definitely opposed the "grocery bill subsidy policy" which the O. P. A. is following. I shall

discuss that at some length presently. My position in regard to the O. P. A. was fairly well stated on the Senate floor on February 11, 1944, page 1611 of the CONGRESSIONAL RECORD.

"I have been one of those who have rather freely criticized the O. P. A. It has made a great many mistakes. However, I wish to say for the O. P. A. that, over all, it has done a reasonably good job in holding prices from running away in uncontrolled inflation. The administration now has the power, through ceiling prices or maximum prices, plus the rationing of commodities as between consumers, to control prices; and it does not need the subsidy policy to prevent inflation. I charge these officials responsible for this agitation in the country with bad faith, with exaggeration, with overstatement of the facts, with unnecessarily alarming the people."

May I say, also, that I think you have greatly improved the administration of the O. P. A. For that I wish to give you full credit. This improvement is also reflected in a better public sentiment than the O. P. A. previously enjoyed.

I now want to come to the heart of the differences between yourself and other responsible officers in this administration and those who hold the views that I hold on this "subsidy" feature of your program.

I make these assertions:

1. That the subsidy policy, as you administer and defend it, is inflationary.
2. That the use of subsidies, as you advocate, has only a slight and incidental relation to farm prices—since you propose that the farmer receive the full price; the deficit to be made up by taxpayers' money from the Government Treasury.
3. That this whole grocery bill subsidy is being carried out as a result of promises made by President Roosevelt to organized labor and has little or no relation to the matter of price control.
4. That the control of inflation, so far as commodity prices are concerned, is to be found in the use of: (a) Maximum prices; (b) rationing; (c) vigorous administration.

As recently as April 8 you joined in a statement to the President, along with Messrs. Vinson, Jones, and Davis, to the effect that the stabilization line has been strengthened and held. To be correct, this must include both prices and wages. It is true that cost of living prices have not increased measurably in the last year. That is not true of hourly wages or weekly earnings.

That statement ends with this language: "We should cling to the policies and machinery which have served us so effectively thus far."

Here you serve notice of your intention to cling to your policy in the use of subsidies as long as you are able to continue to evade and defy the expressed intent and will of the Congress.

I want to challenge a statement from you or anybody else that the grocery-bill subsidy, as you advocate and administer it, is a factor in preventing inflation. It may be a factor in fulfilling a promise President Roosevelt made to the leaders of organized labor that certain staple food prices would not be permitted to rise under any circumstances no matter how much earnings increased. On several items prices have been kept down at the expense of the taxpayer. In round numbers, the O. P. A. and the W. F. A. are spending \$1,300,000,000 a year of taxpayers' money to reduce prices on several cost-of-living items. Every dollar of this money is taken from the Treasury and is all borrowed. The public debt is increased to the full amount of the subsidy. Eventually the public debt must be discharged by the taxpayer. That burden will fall heavily on a generation of taxpayers most of whom are now in the armed forces. Unlike yourself, and others in the administration, I think taxpayers, including coming

generations, are entitled to some consideration.

The immediate effect of this policy is to leave the full amount of the subsidy in the hands of the consumer. To the extent of this full amount, pressure upon the price of an inadequate supply of consumer goods is increased. The effect is obvious. It is inflationary. Why you persistently attribute some stabilizing virtue to this policy is not clear to any person who fully understands the subject. Your repeated declarations, along with similar declarations by President Roosevelt, Justice Byrnes, and Judge Jones, have deceived the public and increased public alarm.

I repeat what I have said before:

That is a dishonest public policy, no matter who uses it.

While the effort of those of us who are trying to keep you and your associates honest centers principally around food prices, which have some relation to farm prices, I want to repeat here, and to emphasize, that, theoretically, the farmer has no interest in this controversy, except as a taxpayer. He has the same interest as every other taxpayer and, in theory, no more. Your subsidy money is, in theory, paid to hold farm prices at the full parity or comparable price level. This is not being done, especially in livestock. Stock raising, including poultry raising, at this time, is perhaps the most demoralized industry in the country due to O. P. A. and W. F. A. policies. The livestock raisers insist that they get only a small portion of the benefit intended for them—and that most of the subsidy money is retained by the middle man or processor. I have seen no figures on this point that could be accepted as conclusive, but undoubtedly there is merit in the livestock producers' contention.

I come now to the statement made by yourself and your associates on April 7. You say:

"Basic wage rates have been firmly held." (Referring to a previous period which might be either October 1942 or the first part of 1943.)

This is simply not true. For your ready convenience, I quote below the average hourly earnings of factory workers as reported by the Bureau of Labor Statistics:

1942:	Cents
October.....	89.8
November.....	90.5
December.....	90.7
1943:	
January.....	91.9
February.....	92.4
March.....	93.4
April.....	94.4
May.....	95.3
June.....	95.9
July.....	96.3
August.....	96.5
September.....	99.3
October.....	98.8
November.....	99.6
December.....	99.5
1944: January.....	100.1

It will thus be seen, that instead of "basic wage rates" being firmly held, they have steadily moved upward—and not slowly. From January 1943 to January 1944, hourly wage earnings increased 8.2 cents per hour, or 9 percent. That is the third largest increase in hourly earnings of any year in the 5-year period since the war in Europe began in 1939.

It is such constant and persistent deception as this which causes those of us who follow the facts to lose faith in you and your associates who make these incorrect statements, and, therefore, deceive the public. I grant that deception of the public is necessary to the success of your policy, but that does not make it honest.

I have dealt here with only the increase in hourly earnings through 1943. This is because your misstatement was directed at that period. It may be said that the increase in hourly earnings from January 1939 to January 1944 is 58.4 percent. Increase in the hourly earnings since January 1941 (Little Steel formula) to January 1944, is 46.6 percent. The entire increase in all items making up the cost of living from January 1939 to January 1944 is 23.7 percent. Measured from any standpoint, increase in hourly earnings, which directly reflect the basic wage, is from two to three times the increase in the cost of living.

Up to this time I have dealt entirely with hourly earnings. These earnings are the main factor, although not the only factor, in the total weekly earnings of these workers. After all, the important thing to the worker is his "take home pay" at the end of the week. Weekly earnings of factory workers increased from \$23.19 a week in January 1939 to \$45.15 a week in January 1944, or a percentage increase of 94.7. Virtually all of this increase came after January 1941. In that month the weekly earnings were \$26.65 as against the January 1944 figure of \$45.15. In other words, during the period of application of the Little Steel formula, hourly earnings went up 46.6 percent; weekly earnings went up 69.4 percent, and the cost of living went up 23.7 percent. All of these statements are based upon reports of the Bureau of Labor Statistics.

Neither in my long life nor in my reading of American history have I found anything to compare with this persistent and determined attempt to mislead and alarm the people. I have previously mentioned those responsible for this policy of persistent and continued deception.

Let us now move from the factory worker to a somewhat broader field. Workers engaged in mining and transportation are not included as factory workers. Their incomes, however, are included in reports by the Bureau of Agricultural Economics. That Bureau shows the annual wage income of industrial workers, as follows:

1939.....	\$1,205
1940.....	1,273
1941.....	1,495
1942.....	1,847
1943.....	2,138

In this period, the average annual wage income per industrial worker increased 77 percent. In the same period, the cost of living, all items, using 1935-39 as 100 percent, increased 23.7 percent.

While comparison between the wages of industrial workers and the cost of living is the point directly in issue, it is interesting to take a look at the income of the public in general. The total national income divided by the total population, including the armed forces, shows the following average annual incomes:

1939.....	\$540.70
1940.....	577.10
1941.....	695.70
1942.....	865.30
1943.....	1,041.50

Source: Bureau of Labor Statistics, based on reports from Department of Commerce.

Here we have in this 5-year period a 92-percent increase in the average income of all the citizens of the United States. Cost of living in this period increased 23.7 percent.

In the name of God and common sense, why should future generations of taxpayers, including men in the armed forces all over the world, be penalized to subsidize the grocery bill of the present generation of citizens who are receiving the highest average income every received by any people in the world throughout all history, and spend-

ing a smaller proportion for food than any other civilized people?

A plea that this grocery bill subsidy policy is in the interest of the wage worker is insincere and fallacious. Prior to World War No. 2, the maximum average income per industrial worker was, in 1920, \$1,411. Decline began after 1920 and the industrial worker's income never equaled the 1920 income until 1941 when it amounted to \$1,495. The 1943 annual income per industrial worker was \$2,138. Beyond any doubt, incomes of all kinds of people, including industrial workers, will decline after World War No. 2. How far this decline will go, and how long it will last, is a matter of so uncertain conjecture that no estimate is of any value.

The outstanding fact is—that never in all of our history have the people generally, and industrial workers in particular, been so able to pay the living expenses out of current income as they are now. As has been pointed out, the use of this grocery bill subsidy only defers the day of payment. In heaven's name, why defer payment from the period when one is most able to make it, to a period when the ability to pay will be lessened? We are only transferring the burden, not removing it.

Continuing with this study: Because this matter is too voluminous to readily include in this letter, there is attached a statement showing the income and trend of income throughout 1943, as well as the expenditures for food.

It will be observed that the per capita average income increased 13.2 percent through 1943. Expenditures for food in-

creased 11.2 percent. This item is affected by volume of food consumption as well as price. The "take home income after paying grocery bill" increased 13.6 percent. The percentage of income expended for food shown on this table never exceeded 20 percent. If a quantity of food, representing average consumption through 1935-39, had been bought, the expenditure for food would have been 15 percent of the income.

There is no record of any population in any civilized nation in the world being so well fed as the people of the United States, and there is no record of any people being able to purchase their food for so low a percentage of their income as the average citizen of the United States can do at this time and has been doing throughout the years.

Why the persistent demand of yourself and those associated with you for subsidies to reduce the grocery bill of people whose incomes are larger currently than they are likely to be again for any conceivable period of time? This policy is so unsound that no man can thoroughly understand it and still advocate it if that man is sincere. If men in authority advocate such a program without understanding it, they may reasonably be charged with being dumb, at least incompetent. If they understand all the facts, and still advocate it, on the basis that yourself, Judge Jones, Justice Byrnes, and President Roosevelt advocate, they create a basis for doubting their sincerity and integrity. I have said this before—I repeat it here.

With my best wishes, I am

Cordially yours,

CLYDE M. REED.

Per capita food costs, consumer income and expenditures, United States by months, 1943¹

Year and month	Total income ² payments per capita	Expenditures for food ²	Take-home income after paying grocery bill ²	Food expenditures as percentage of income	
				Actual ³	Cost of quantities of food representing average annual consumption 1935-39 ³
				Percent	Percent
1943:					
January.....	\$973	\$196	\$777	20	16
February.....	991	198	793	20	16
March.....	1,009	207	802	21	16
April.....	1,023	193	830	19	16
May.....	1,028	201	827	20	16
June.....	1,040	200	840	19	16
July.....	1,048	217	831	21	16
August.....	1,059	207	852	20	15
September.....	1,058	204	854	19	15
October.....	1,069	219	850	20	15
November.....	1,086	210	876	19	15
December.....	1,101	218	883	20	15
Change during 1943.....	(⁴)	(⁵)	(⁶)		

¹ Averages apply to the average civilian consumer, including both farm and nonfarm population. Annual rates seasonally adjusted.

² Income and expenditure data are based upon compilations of the U. S. Bureau of Foreign and Domestic Commerce.

³ Percentage of income required to purchase the same quantities of the same foods as the pre war (1935-39) average consumption. Differences between this column and actual expenditures are due to changes in the nature, and level of consumption, i. e., quality of food purchased, amount of services included, percentage of meals eaten out, etc.

⁴ Plus \$128 or 13.2 percent.

⁵ Plus \$22 or 11.2 percent.

⁶ Plus \$106 or 13.6 percent.

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an amendment which yesterday, at my request, was ordered to lie on the table and be printed, but which I do not intend to propose.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the proper place in the bill insert the following:

"Sec. —. The Emergency Price Control Act of 1942 is hereby amended as follows:

"At the end of the second sentence of section 2 (a) insert the following: 'Any maximum price established or adjusted by the Administrator shall be such as to allow to each class of producers, manufacturers, processors, and distributors concerned therewith a generally fair and equitable price for the particular product affected, taking into consideration the cost of producing, manufacturing, processing, or distributing such product and a reasonable profit subject to the following provisos:

"(a) The price need not be such as to assume profit to any individual producer, manufacturer, processor, or distributor who

is inefficient, or who for any other reason failed to receive such profit under peacetime conditions.

"(b) The maximum price fixed for any class of producers, manufacturers, processors, and distributors need not be such as to assure a profit for such particular product if it was customary prior to the war for such class to sell such product without profit.

"(c) The price fixed for any class of producers, manufacturers, processors, or distributors need not be such as to assure a profit for a particular product if (1) such product is only one of a larger group of products substantially all of which are handled by all members of such class, and (2) the sum of the profits on all the products handled by such class are generally reasonable.

"(d) The Administrator shall have the right to determine what producers, manufacturers, processors, and distributors constitute a class, and in doing so shall give proper consideration to the character of the business, the kind of products handled, method of handling such products, and regional variations which prior to the war led to a general difference in prices and margins."

Mr. BUTLER. Mr. President, I desire to call up an amendment, in order to have 1 or 2 minutes' discussion of it. It was intended to be proposed by the Senator from Illinois [Mr. BROOKS], who is not present at this time. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

SEC. 101.5. Section 2 (c) of such act is amended by inserting after the first sentence thereof the following: "The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, including rents in housing accommodations in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs, or in which the rent is less than the total costs of operation, or in multiple-unit premises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises."

Mr. BUTLER. Mr. President, an amendment of this sort was submitted at the committee hearing. I believe the Senator from Ohio has a proposed regulation, received from the O. P. A., which should be placed in the RECORD, in order to make it complete.

Mr. TAFT. Mr. President, in the committee I offered an amendment. The difficulty with the rent situation is that the Administrator has refused to consider individual applications for adjustment of rent, except in 10 limited classes of cases in which he has chosen to permit adjustments to be made.

I think there should be a broader provision. In the committee I submitted an amendment, which I subsequently withdrew when it appeared that a majority of the members of the committee were opposed to it. I withdrew it with the understanding on the part of the O. P. A. that it would submit a further exception, in the form of a regulation

which it would put into effect in order to permit individual adjustments to be made.

After the committee closed the hearings, the O. P. A. submitted the proposed regulation. I shall ask unanimous consent to have it printed in the *RECORD*. It does not go so far as I think it should go. However, it shows a willingness to open up somewhat the matter of consideration of individual rent adjustments.

If it appears, after trial, that the new regulation does not flood the O. P. A. with a large number of rent cases, I am hopeful the O. P. A. will increase the number of cases of rent regulation or adjustment in which it will grant hearings for individual complainants.

I think it is perfectly clear that the Senate, the House of Representatives and the act contemplated that an individual complainant who had an especially large increase in cost, or whose rent was not comparable to other rents, should receive an individual adjustment. However, at this time I do not wish to press the general question of an amendment of the law.

I ask unanimous consent to have printed at this point in the *RECORD*, as a part of my remarks, the amendment to the rent regulations which I understand the O. P. A. is making or will make if no provision relating to rents is incorporated in the present law.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment to the rent regulations was ordered to be printed in the *RECORD*, as follows:

AMENDMENT TO RENT REGULATIONS

Any landlord may file a petition for adjustment to increase the maximum rent otherwise allowable, only on the grounds that:

(II) The rent on the date determining the maximum rent was materially affected by special hardship circumstances and as a result was substantially lower than the rent generally prevailing in the defense-rental area for comparable housing accommodations on the maximum rent date.

Mr. BUTLER. Mr. President, in view of the explanation made by the Senator from Ohio and the understanding we have had within the committee, I am hopeful that the Administrator will be as reasonable or as lenient as he possibly can be under the regulations which are proposed.

In view of that situation, I withdraw the proposed amendment. Of course, I desire to have it printed in the *RECORD* as it has been read.

Mr. WILLIS. Mr. President, the other day, at my request, an amendment to the bill now under consideration was ordered to lie on the table and to be printed. I do not propose to press for its adoption at this time, but I desire to have it printed in the *RECORD*, and I ask unanimous consent to have that done.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment was ordered to be printed in the *RECORD*, as follows:

On page 3, after line 24, insert the following:

"(1) No maximum price shall be established or maintained for any of the following: (1) Public sales by a bona fide owner, directly or through an agent or auctioneer, of such owner's used furniture, household goods, and personal effects acquired by such owner for his own use or consumption, and not acquired for the purpose of resale; (2) public sales by a bona fide farmer, directly or through an agent or auctioneer, of such farmer's used tractors, machinery, implements, and tools, acquired by such farmer for his own use in connection with his farming operations and activities, and not acquired for the purpose of resale; and (3) public sales by an administrator, executor, guardian, or trustee, directly or through an agent or auctioneer, pursuant to an order of court, of any used personal property of the character enumerated in clauses Nos. 1 and 2 above."

On page 2, line 24, strike out "subsection" and insert in lieu thereof "subsections."

Mr. WILLIS. Mr. President, I also ask unanimous consent to have printed in the *RECORD*, as a part of my remarks, a statement about certain abuses in connection with market regulations affecting the sale of hogs. The statement relates to a regulation by the War Food Administration, which I intended to offer at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the *RECORD*, as follows:

ABUSES IN REGULATIONS AFFECTING HOG MARKETING

Present support prices are on hogs weighing from 180 to 270 pounds, hereinafter called bracket weights. Hogs weighing below or above these bracket weights can be bought at a price discretionary to the packer. As a result, hogs in excess of 270 pounds are now selling at discounts as great as \$2 per hundredweight below support prices for bracket weights. This means that a hog weighing 271 pounds will bring approximately \$5 less than a hog just under 270 pounds. It is common practice for order buyers to fill orders as nearly as possible with hogs outside the bracket weights. As a result, bracket-weight hogs oftentimes lie in the yards 2 to 3 days before being sold, thus effecting an enormous shrinkage and penalizing the producer.

Due to the heavy flow of hogs to market and the apparent inability of packers to take the hogs, a permit system has been established on the Indianapolis market. Demand for permits far exceeds the ability of the market to assimilate the hogs. As a result hogs are kept back on the farm, and in many instances held there against the farmers' wishes, until the weight exceeds the 270 pounds, consequently inflicting a terrific loss on the producers.

Another unfair practice is that of making false grades within the bracket weights, which enables the packer to buy choice hogs below the support price.

It is my suggestion that false grading be absolutely prohibited, and that the break in prices on out-of-bracket weight hogs be limited to the normal differential prices for hogs in those weights.

Mr. MILLIKIN. Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point a letter dated April 14, 1944, from me to Hon. Ivan D. Carson, Deputy Administrator of the Office of Price Administration, and a reply which I received under date of May 6, 1944, from Mr. Bowles, both letters hav-

ing to do with the subject of voluntary contributions. I started to read the letters the other day, and referred to them, but did not actually enter them in the *RECORD*. I ask unanimous consent that they may be printed in the *RECORD* at this point.

There being no objection, the letters were ordered to be printed in the *RECORD*, as follows:

APRIL 14, 1944.

HON. IVAN D. CARSON,
Deputy Administrator,
Office of Price Administration,
Washington, D. C.

DEAR MR. CARSON: Thank you very much for your letter of April 13, 1944, replying to observations in a letter which I have received from Mr. T. B. Estill, of 1770 South Santa Fe Drive, Denver, respecting rent control of motor courts by O. P. A. I am passing your letter on to Mr. Estill for his further reactions, which I shall communicate to you.

I am very much interested in the second from the last paragraph on the third page of your letter regarding voluntary contributions to the Treasury of the United States by those alleged to have made rental overcharges and where the person overcharged cannot be found and where in the opinion of the enforcement officials the violation is not of a sufficiently serious character to warrant criminal proceedings. Your statement that "a somewhat similar technique of voluntary contributions to the Treasury has been used in the past in connection with violation of other Federal statutes" is also noted with especial interest.

Let me suggest that this technique is reprehensible. If, as you state, the alleged violation does not appear to be of such a serious character that criminal proceedings should be brought against the violator, then, under self-evident principles of fair play and under proper performance of official duty, there should not be any criminal proceedings and there should not be any bartering to remove the threat of them.

If criminal proceedings are not warranted, there is nothing left but a civil claim existing exclusively between the landlord and tenant. The landlord did not rent his accommodations to the United States Treasury. He did not overcharge the United States Treasury. Hence, he does not owe anything to the United States Treasury. Moreover, the Government is not a collection agency for claims between landlords and tenants and the procedure does not serve that function for obviously the citizen's voluntary payment of a sum of money into the United States Treasury does not extinguish his debt to his creditor. If the landlord is unjustly enriched because he cannot find the tenant to whom he owes the money this is not corrected by an equally unjust enrichment of the Federal Treasury.

To call the payment voluntary, keeping in mind that it is admittedly a part of a technique of settlement, is a cynical perversion of the meaning of the word. Of course, the voluntary contribution is induced by dangling the threat of a criminal proceeding over the citizen's head. This technique is condemned by its nature, it is a criminal offense, where practiced by private citizens, and so far as I know it is not a statutory privilege of Federal officials.

I shall appreciate it if you will furnish me with a list of all persons who have made such voluntary contributions, with the amounts thereof, in O. P. A. rent-control cases. Please also cite me any provisions of law relied upon as authority for practicing this technique.

I shall also appreciate it if you will advise me of the names of the other Federal agencies which follow this technique in connec-

tion with the violation of other Federal statutes.

I am,

Sincerely,

EUGENE D. MILLIKIN.

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., May 6, 1944.

The Honorable EUGENE D. MILLIKIN,
United States Senate,
Washington, D. C.

DEAR SENATOR MILLIKIN: Your letter of April 14, 1944, addressed to Ivan D. Carson, Deputy Administrator for Rent, has been referred to me for reply.

You express an interest in the second from the last paragraph on the third page of Mr. Carson's letter to you dated April 13, 1944, wherein he mentions the matter of voluntary contributions to the Treasury of the United States in those cases where landlords have made rental overcharges, where the person overcharged cannot be found, and where, in the opinion of the enforcement official, the violation is not of a sufficiently serious character to warrant formal proceedings. You express disapproval of the technique of collecting voluntary contributions and ask that we cite to you any provisions of law relied upon as authority therefor.

I have checked carefully into the practice of accepting voluntary contributions and enclose a full memorandum on the matter, dated April 10, 1943, by Thomas I. Emerson, Deputy Administrator for Enforcement, then Acting General Counsel. Prior to the effective date of the Emergency Price Control Act, and prior to July 31, 1942, when the treble-damage provisions of the Emergency Price Control Act became operative, the acceptance of voluntary contributions from violators proved a very practical and, in our opinion, a fair and effective way of adjusting many cases which did not warrant the expenditure of time and funds in formal enforcement proceedings. With respect to violations occurring after July 31, 1942, we have been accepting voluntary contributions only in an insignificant number of cases compared to the total number and amount of refunds to tenants. The reason for this is that most of the cases which we wish to adjust on an informal basis, without the imposition of formal sanctions, are disposed of through a settlement of the Administrator's claim for treble damages or, in the case where the treble-damage claim lies in the purchaser or tenant, through restitution to such purchaser or tenant. As a result, the only cases in which we accept contributions, where the violation has occurred after July 31, 1942, are situations where the Administrator has no right of action to treble damages and where the consumers or tenants are numerous and unknown.

We have, as you know, literally thousands of complaints of violation and our investigations disclose that many of these are well-founded. It seems entirely justifiable to me to dispose of a great proportion of these innumerable cases without formal enforcement proceedings. As the attached memorandum indicates, the practice has never been used in substitution for criminal sanctions. It has been a device for rapidly adjusting cases which were not sufficiently serious to warrant criminal prosecution and which were not sufficiently important to justify other types of formal enforcement proceedings. The practice seems to me a sound method of restoring the status quo and eliminating the effect of the violation.

I should also like to point out that in my eighth quarterly report to Congress for the quarter ending December 1944, which is currently in the process of being distributed to the Congress, we state:

"As a result of the activities mentioned, restitution of thousands of dollars by landlords, representing overcharges, has been effected. In cases where restitution has not been feasible, landlords have made voluntary

contributions to the United States Treasury in the sum of \$112,523.95 during this quarter."

You also request that we furnish you with a list of all persons who made such voluntary contributions, with the amount thereof, in O. P. A. rent-control cases. The research involved in complying with this request would delay this response so long that I am submitting herewith the following total figures setting forth the number of rent contributions to the Treasury and the total amounts for the years 1942 to 1944, inclusive:

1942 ¹	3	\$33.16
1943	593	245,597.48
1944 ²	221	73,979.01
Total	817	319,609.65

¹ Incomplete.

² January, February, March.

If these statistics are not adequate for your purpose please advise me and I shall endeavor, as soon as possible, to obtain the detailed information which you request.

Thank you for your interest in these matters.

Sincerely yours,

CHESTER BOWLES,
Administrator.

APRIL 10, 1943.

To: Prentiss M. Brown, Administrator.
From: Thomas I. Emerson, Acting General Counsel.

Subject: Voluntary Contributions.

The practice of accepting voluntary contributions to the United States Treasury of amounts received, in excess of ceiling prices, by violators of price regulations is based on the theory that it is contrary to the policy of the Emergency Price Control Act and against public interest to permit violators to retain the fruits of their wrongdoing. These excess charges are not to be confused with legitimate profits. Where illegal amounts have been charged, the amount which is contributed represents profit to which the seller is not entitled under the law. The retention of such sums by violators contributes to inflation.

The making of contributions by violators of price regulations is voluntary, and has always been limited to the type of case where the violation is inadvertent. Contributions have not been accepted in cases where the evidence indicates that the violation was willful or deliberate, or where for any reason the application of the criminal or other statutory remedies appears warranted.

The amount of the contribution is in each case determined in accordance with the exact amount of the overcharge which is thereby remedied. In cases where a contribution is accepted, the violator is advised by the representative of the Office of Price Administration that the making of the contribution is a voluntary method of disposing of cases whereby the violator may evidence his good faith as to future compliance. The violator is also required to submit a written statement that he will in the future comply with the regulations.

To a limited extent, as explained below, the policy has also been extended to violations of rent regulations. It has never been used in connection with violations of rationing regulations, since violations of this type do not involve overcharges.

The policy is also not applicable to violations which have occurred after July 31, 1942, which is the effective date of the treble-damage provision of the Emergency Price Control Act, except in a limited class of cases involving sales at retail where the buyers are unknown or unascertainable and where there is little likelihood that such purchasers will exercise their treble-damage rights. Similarly, in cases of violations of rent regulations, contributions may be accepted in cases where tenants have been numerous and are unavail-

able, as in the case of overcharges made by the proprietor of a trailer camp, or the proprietor of a boarding house for transients. In cases where overcharges have been made to retail purchasers or tenants who are available or ascertainable, the sellers are not permitted to dispose of their violations through the making of a contribution, but are instead required to make any adjustments directly with the persons who have been overcharged. In cases of over-the-ceiling sales made subsequent to July 31, 1942, to purchasers other than at retail, where, pursuant to the statute, the treble-damage remedy belongs to the Administrator, the contribution policy has no application. In such situations, of course, settlement of the Administrator's claim to treble damages frequently results in a money payment by the violator to the Treasury.

Precedent for utilizing the contribution policy as an enforcement technique was found in the use of a similar practice by former President Herbert Hoover, the United States Food Administrator under the Food Control Act of 1917, during World War No. 1. Under Mr. Hoover, the contributions were made to the Red Cross instead of the United States Treasury. His authority for this practice was never challenged, either in the courts or in Congress. His annual report for the year 1918 shows that between August 10, 1917, and December 3, 1918, there were 8,676 cases of violations handled by the Enforcement Division, and of these 4,123 cases were disposed of by contributions and refunds (Annual Report of U. S. Food Administration for the year 1918, pp. 42-43). On page 43 of his report the following language appears:

"These orders fall into two general classes depending upon whether they are addressed to a licensee or a nonlicensee. If in the first class, the order has either revoked or suspended the violator's license, temporarily or indefinitely, or has accepted some action by the violator as a substitute for such revocation or suspension as, for example, a refund of excess profits or a contribution to the Red Cross, or some other patriotic organization. In many cases a violator has offered and preferred to make such a contribution rather than to have his business closed, even temporarily; and in cases of minor offenses, such action has met the ends of substantial justice to the best advantage."

The contribution policy was first utilized by the Administrator under Executive Order No. 8734, issued by the President on April 11, 1941 (6 F. R. 1917), which established the Office of Price Administration and Civilian Supply, and under Executive Order No. 8875, issued on August 28, 1941 (6 F. R. 4483), which continued price control authority in the Office of Price Administration. At the time of the adoption of the policy, the sanctions available to the Administrator under these Executive orders were indirect and cumbersome, and for most practical purposes unusable.* The Administrator was thus faced with a serious enforcement problem. Numerous violations of the regulation were called to his attention, particularly in connection with crucial waste-materials industries. Wherever such violations were found to be inadvertent, as in cases of honest mistakes or where because of the newness of the regulation involved the violator was not suf-

*Par. 2 (h) of Executive Order No. 8734, empowered the Administrator to recommend to the President the exercise of such of his powers as the commanding power (Selective Service Act, sec. 9, 54 Stat. 692 (1940), 50 U. S. C. A., sec. 309 (Supp. 1941)), and the priority power (Priorities Act, sec. 2 (a), 54 Stat. 676 (1940), as amended by the Vinson Act, Public Law No. 89, 77th Cong., 1st sess. (May 31, 1941)), when in the judgment of the Administrator such action by the President would enforce compliance with price schedules.

ficiently acquainted with its provisions, the contribution policy was found to be an effective means with which to secure compliance. The application of this policy during this period enabled the Administrator to enforce price regulations over a wide area during a critical period through the use of a device that was both equitable and practical in its operation. The availability of this remedial device, to the extent to which it was applied, made less serious the threat of inflation created by the absence of workable sanctions.

Because of its effectiveness in providing a fair means for disposing of cases of inadvertent violations, the contribution policy was continued in operation after the passage of the Emergency Price Control Act, which became effective on January 30, 1942 (Pub. Law No. 421, 77th Cong., 2d sess. (1942)). This act provided for the following enforcement sanctions:

1. Injunction (Sec. 205 (a)).
2. Criminal prosecutions (Sec. 205 (b)).
3. Treble damages (Sec. 205 (e)).

(a) By purchaser where sale is made for use or consumption other than in the course of trade or business.

(b) By the Administrator where purchaser is not entitled to bring suit.

4. Suspension of license (Sec. 205 (f)).

As pointed out above, contributions have not been accepted in cases where the use of any of these sanctions has been called for, with the exception that in a few cases a contribution has been accompanied by a consent decree entered in an appropriate court to enjoin further violations. In no case has a contribution been accompanied by or taken the place of a criminal prosecution or license suspension suit. Under the provisions of the statute, the effective date of the treble damage remedy was postponed for 6 months after the date of enactment of the statute. During this period, the contribution policy was a useful device for the disposition of cases which were not subject to the application of other sanctions. Subsequent to the effective date of the treble-damages remedy, the contribution policy has not been applied in cases where either the Administrator or a purchaser has a treble-damage claim, except in the single instance where an over-the-ceiling charge has been inadvertently made to numerous buyers or tenants who are unascertainable or unavailable. The contribution policy has thus been practically terminated with respect to violations which have occurred after July 31, 1942.

The contribution policy has been made known to Congress and the public since its inception. The practice was mentioned in the first quarterly report submitted to Congress for the period ending April 30, 1942. (See page 76 and table 5 (c) (1) in Appendix C at page 195.) It was discussed in the second quarterly report for the period ending July 31, 1942, and a full table of the contributions transmitted to the Treasury was published. (See page 55 and table 8 in Appendix C, page 251.)

It is to be noted that every contribution is made payable to the United States Treasury and is transmitted to the Treasury, in each instance, with a covering letter. These contributions are accepted by the Treasury as unconditional gifts and are deposited there as miscellaneous receipts. Letters of acknowledgement have been sent by the Treasury to each contributor.

It is believed that the policy has been fair and equitable in its operation, and that it has assisted in carrying out the purpose of the President and of Congress to curb the rise of prices.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question

is on the engrossment and third reading the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1764) was passed, as follows:

Be it enacted, etc., That this act may be cited as the "Stabilization Extension Act of 1944."

TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

TERMINATION DATE

SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1944," and substituting "December 31, 1945."

APPROPRIATION REQUIRED FOR SUBSIDIES

SEC. 102. Section 2 (e) of such act is amended by adding at the end thereof the following new paragraph:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

UNAUTHORIZED CONDITIONS OR PENALTIES

SEC. 103. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the act or acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

ENFORCEMENT AUTHORIZATION

SEC. 104. Section 3 (e) of such act is amended by striking out "(a) and (b)."

EXPENDITURES BY THE ADMINISTRATOR

SEC. 105. Section 201 (c) of such act is amended to read as follows:

"(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or

rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this act. The provisions of section 3709 of the Revised statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

PROTEST PROCEDURE

SEC. 106. (a) The first sentence of section 203 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "Within a period of 60 days after the issuance of any regulation or order under section 2 (or in the case of a price schedule, within a period of 60 days after the effective date thereof specified in section 206), or within a period of 60 days after June 30, 1944, whichever is later, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections."

(b) Section 203 (c) of such act is amended by inserting before the period at the end thereof a colon and the following: "Provided, however, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1941, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection."

(c) Section 203 of such act is further amended by adding at the end thereof the following new subsection:

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

(d) Section 204 (c) of such act is amended by inserting after the third sentence and before the fourth sentence thereof the following:

"Two judges shall constitute a quorum of the court and of each division thereof."

STAYS IN CRIMINAL PROCEEDINGS, ETC.

SEC. 107. Section 204 of such act is amended by adding at the end thereof the following new subsection:

"(e) Within 5 days after judgment or decree in any proceeding brought pursuant to section 205 for the violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206,

the defendant may apply to the district court for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant has been found to have violated. The district court shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection. After judgment in any proceeding brought pursuant to subsection 205, the district court shall stay the execution of its judgment for the violation of any provision of a regulation, order, or price schedule concerning which there is pending a protest properly filed by the defendant in accordance with the provisions of section 203, or any judicial proceeding instituted by the defendant in accordance with the provisions of this section, the stay to continue until the disposition of such protest, or judicial proceeding, and the expiration of the time allowed in this section for the taking of further proceedings with respect thereto. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

SUITS FOR DAMAGES

SEC. 108. (a) Subsection (e) of section 205 of such act is amended to read as follows: "(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maxi-

mum price or maximum prices, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such 1 year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. Notwithstanding any provision of this act, the Emergency Price Control Act of 1942, or the amendment thereto of act, October 2, 1942 (Public Law 729, 77th Cong), all suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent."

(b) The amendment made by subsection (a), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within 30 days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this act and with respect to proceedings instituted thereafter.

REVIEW OF RATIONING SUSPENSION ORDERS

SEC. 109. Section 205 of such act is amended by adding at the end thereof the following new subsections:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this act. Any action to enjoin or set aside such order shall be brought within 5 days after the service thereof. No suspension order shall take effect within 5 days after it is served, or, if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulations or order involved in the suspension proceedings.

"(h) It shall be an adequate defense to any suit or action brought under subsections (b), (e), or (f) (2) of this section if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.

"(i) Nothing in this section shall be construed to deprive the courts of the power to assess against the defendant the amount of the overcharge."

TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

COTTON TEXTILES

SEC. 201. Section 3 of the Stabilization Act of October 2, 1942, as amended, is amended

by adding at the end thereof the following new paragraph:

"Any maximum price established or maintained under authority of this act or otherwise for any textile product processed or manufactured in whole or substantially part from cotton or cotton yarn shall be not less for any specific textile item than the sum of the following: (1) The cost of the cotton or yarn involved, plus the cost of delivery of such cotton or yarn to the point of processing or manufacturing, as determined by the War Food Administrator; (2) a generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item, and whenever the Chairman of the War Production Board or the War Food Administrator has determined such item to be necessary for the war effort or the maintenance of the civilian economy, such allowance shall be computed at a uniform figure that will cover such total current costs in the case of any manufacturer or processor among the manufacturers or processors of at least 90 percent by volume of such item; and (3) a reasonable profit on such item, in addition to the costs computed as provided in clauses (1) and (2). The maximum price established for any textile item under this act or otherwise shall be adjusted to the extent necessary to conform with the requirements of this paragraph within 60 days after the date of its enactment. For the purposes of this paragraph, the cost of any cotton shall be deemed to be not less than the parity price for such cotton (adjusted for grade, location, and seasonal differentials); except that for the 60-period beginning 120 days after the date of enactment of this paragraph, and for each subsequent 60-day period, the actual current market value of such cotton at the beginning of such period is lower than such parity price, the cost of such cotton during such 60-day period shall be deemed to be the actual current market value at the beginning of such period, and whenever a change is made in such cost of cotton a corresponding change shall be made in the maximum price for each specific textile item. The method that is now used for the purposes of loans under section 8 of this act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined. For the purposes of this paragraph, the terms 'textile product' and 'textile item' mean any product or item manufactured or processed in whole or substantial part from cotton or cotton yarn by any manufacturer or processor engaged in the manufacture or processing of such product or article from cotton or cotton yarn. Whenever the maximum price established for any item to which this paragraph is applicable is in excess of a price which in the judgment of the Administrator is generally fair and equitable and is also in excess of the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section, the Administrator may reduce the maximum price for such items to a price which in his judgment will be generally fair and equitable, except that such maximum price shall in no event be reduced to a price lower than the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section or be reduced to a price which will impede the effective prosecution of the war or the maintenance of the civilian economy.

"Whenever the maximum price established for sales at any subsequent level of manu-

facture, processing, or distribution of any commodity which is constituted in whole or substantial part of any textile item is in excess of a price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level of manufacture, processing, or distribution, then the Administrator may reduce such maximum price to any price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level."

SETTLEMENT OF DISPUTES UNDER RAILWAY LABOR ACT

SEC. 202. Section 4 of such act of October 2, 1942, is amended by adding at the end thereof the following new paragraphs:

"No action shall be taken under authority of this act with respect to an increase in any wages or salaries in any case in which such increase has been agreed upon by the employer and employee and will not result in the payment of wages or salaries at a rate greater than \$37.50 per week. For the purpose of the preceding sentence, if the employee ordinarily works overtime and extra compensation is paid therefor, such extra compensation shall be included in determining the rate of wages or salaries paid.

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

TERMINATION DATE

SEC. 203. Section 6 of such act of October 2, 1942, is amended by striking out "June 30, 1944" and substituting "December 31, 1945."

LOAN RATE FOR AGRICULTURAL COMMODITIES

SEC. 204. (a) Section 8 (a) (1) of such act of October 2, 1942 (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out "at the rate of 90 percent of the parity price" and inserting in lieu thereof "at the rate of 95 percent of the parity price." The amendment made by this subsection shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crops of any commodity before the amendment made by this subsection takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this subsection had been in effect at the time the loans were made.

(b) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), is amended by striking out "90 percent" and inserting in lieu thereof "95 percent." The amendment made by this subsection shall, irrespective of whether or not there is any further public announcement under

such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 205. Section 3 of the act of October 2, 1942 (Public Law 729, 77th Cong.), is hereby amended by adding a new paragraph to read as follows:

"PERISHABLE COMMODITIES

"Whenever a maximum price is established on any fresh fruit or fresh vegetable, including potatoes, adequate allowances shall be made for hazards of production and marketing of such commodities throughout the crop year, including increased costs due to crop losses which have resulted or may result from such hazards. If a maximum price has been established on any such commodity, the Price Administrator shall take immediate action to review and increase such maximum price from time to time by making further allowances to the extent necessary to compensate for subsequent substantial changes in such conditions, including substantial reductions in merchantable crop yields."

The title was amended so as to read as follows: "A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes."

Mr. WAGNER. Mr. President, I ask that the bill be printed as passed today.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR APPROPRIATIONS COMMITTEE TO REPORT, ETC.

Mr. McKELLAR. Mr. President, I ask unanimous consent that during the recess or adjournment of the Senate, following today's session, the Committee on Appropriations be authorized to file reports on appropriation bills before it, and to file notices of motions to suspend the rule for the purpose of proposing amendments to such appropriation bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROCUREMENT OF OIL FOR THE NATIONAL DEFENSE

Mr. WALSH of Massachusetts. Mr. President, I move that the Senate proceed to the consideration of House bill 4771, Calendar No. 962. I shall not ask for its consideration tonight, but I should like to make it the unfinished business.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4771) to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes", approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves.

Mr. WALSH of Massachusetts. Mr. President, I may say that the title of the bill is misleading and does not define the objective of the measure. The purpose of the bill is to authorize the production of oil from Naval Petroleum Reserve No. 1—Elk Hills—whenever production is required for national defense.

Mr. TAFT. Mr. President, am I correct in understanding that the consideration of the bill will go over until Monday?

Mr. WALSH of Massachusetts. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts [Mr. WALSH].

The motion was agreed to; and the Senate proceeded to consider the bill.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I should like to inquire of Senators—especially the Senator from Massachusetts [Mr. WALSH] and the Senator from Tennessee [Mr. McKELLAR]—whether the appropriation bills in the Appropriations Committee and the bill to which the Senator from Massachusetts has referred, and which is now the unfinished business, are of such urgency that we could not take a recess from today until Tuesday next. I do not wish to waste a single day that is necessary in order to clear our program; but if committees could have an opportunity to act on Monday on legislation pending before them, it is possible that we might facilitate matters by taking a recess until Tuesday, rather than holding a session on Monday.

Mr. WALSH of Massachusetts. Mr. President, the Navy Department has been pressing me very hard all week to obtain action on the bill which has been made the unfinished business. It deals, as I have said, with the extraction of oil from the Elk Hills Oil Reserve in California.

The contract under which the Navy has been acting has expired, and the Navy is pressing very hard for legislation which would permit it to increase the volume of oil which it can obtain. I hope very much that the Senate may consider the bill on Monday.

Mr. McKELLAR. Mr. President, in answer to the question of the Senator from Kentucky, let me say that there are 13 appropriation bills, and only 2 of them have finally passed. It will require the most nerve-racking work for our committee to finish consideration of those bills so that a recess may be taken for the Republican National Convention, as I understand is now the program. For that reason it seems to me that we had better stay in session as much as possible if we are to get through.

Mr. BARKLEY. Mr. President, the answers of both the Senator from Massachusetts and the Senator from Tennessee are satisfactory. Therefore, at the proper time I shall move that the Senate take a recess until Monday.

TEMPORARY APPOINTMENT OF ARMY NURSE CORPS MEMBERS AS OFFICERS IN THE ARMY OF THE UNITED STATES

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1808) to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female per-

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by Lewis I. Bourgeois.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, and in one to include a short letter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an interesting article that appeared on the editorial page of the Boston Post recently.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

CALL OF THE HOUSE

Mr. FOLGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 84]

Abernethy	Gibson	Martin, Iowa
Anderson,	Gilchrist	Merritt
N. Mex.	Granger	Morrow
Andrews, Ala.	Green	Mundt
Arnold	Hancock	Murphy
Baldwin, Md.	Harless, Ariz.	Newsome
Bates, Mass.	Hart	Norman
Bennett, Mich.	Heidinger	O'Connor
Boren	Herter	Peterson, Ga.
Buckley	Johnson,	Philbin
Burdick	Anton J.	Plumley
Case	Kelley	Randolph
Chapman	Keough	Sadowski
Dawson	King	Simpson, Pa.
Dickstein	Kieberg	Smith, W. Va.
Dies	Klein	Stanley
Durham	Lewis	Stearns, N. H.
Fay	Luce	Stewart
Fish	Lynch	Voorhis, Calif.
Fogarty	McCord	Welchel, Ohio
Forand	McGehee	West
Fulbright	McMurray	White
Fuller	Maas	Whitten
Gale	Madden	Wigglesworth
Gallagher	Magnuson	

The SPEAKER. On this roll call 345 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further con-

sideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941), extension of Emergency Price Control Act of 1942, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Section 1 of the bill had been read at the time the Committee rose on yesterday.

Any amendments to section 1 may now be offered.

Mr. PACE. Mr. Chairman, I offer an amendment, which I send to the desk.

The CHAIRMAN. Is this an amendment to section 1 of the bill?

Mr. PACE. I might explain, Mr. Chairman, there are paragraphs A and B in section 1, and I am attempting to add subsection C to section 1.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: At the end of section 1 add a new paragraph, as follows:

"(c) Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by striking out the words 'adequate weighting shall be given to farm labor' appearing in the last proviso and in the last sentence of said section, and inserting the following in lieu thereof:

"There shall be included, and such maximum price shall be adjusted to include, the increase in the cost of farm labor since the respective base period for each such commodity as fixed in section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, and in the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended, which increase in the cost of farm labor shall be determined on the basis of the national average and shall include hired workers, farm operators, and the members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor."

Mr. WOLCOTT. Mr. Chairman, I make a point of order, and I make it for the purpose of getting a ruling by the Chair at this time. The point of order, of course, would be that the amendment does not come at the proper place. I would like a ruling on the point of order in respect to whether at this juncture of the bill any and all amendments to the Emergency Price Control Act of 1942, and the Stabilization Act of 1942, are in order. I make the point of order that the amendment is not germane to the section.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. PACE. Only one comment, Mr. Chairman. I had assumed that this section would be the appropriate place to offer the amendment for the reason that subsection B of this section amends identically the same act that I am attempting to amend. It relates to the act of October 2, 1942.

Section (b) amends that act. My amendment seeks to amend the same act. They therefore relate to identically the same amendment, and that was what moved me to offer it at this point.

The CHAIRMAN (Mr. COOPER in the chair). The Chair is prepared to rule. The Chair invites attention to the fact that under the provisions of the pending bill amendments are made to both the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942. The Chair, therefore, is of the opinion that amendments to either of these two acts included in the pending bill would be in order.

The question is presented, however, by the point of order, as to the appropriate place in the pending bill that the amendment offered by the gentleman from Georgia should more properly appear. The Chair invites the gentleman's attention to the fact that section 2 of the pending bill provides: "Section 2 of the Emergency Price Control Act of 1942 as amended is amended to read as follows." The Chair is therefore of the opinion that the amendment offered by the gentleman from Georgia would more properly come as an amendment to section 2, to follow section 2 of the pending bill.

Mr. PACE. Mr. Chairman, I ask unanimous consent, then, to withdraw my amendment and will offer it at the appropriate place under section 2.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I have an amendment to add a new title and section. Would it be in order at this point or should it come at the end of the present bill?

The CHAIRMAN. Answering the gentleman's parliamentary inquiry, an examination of his amendment shows it would add a new title to the bill. The Chair is of the opinion it would certainly not be in order as an amendment to section 1 of the bill, but that it should more appropriately follow as a new title at the end of the bill.

Mr. JENKINS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENKINS. Is it the purpose of the Chair to have all of section 2 read before any amendments are offered to any portion of section 2?

The CHAIRMAN. The gentleman is correct. The rule, except for appropriation bills, is that all of a section of a bill is read before amendments to any portion of the section may be offered.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDWIN ARTHUR HALL. I have an amendment at the desk. Will the Chair be so kind as to indicate whether it is in order to be offered at the present time?

The CHAIRMAN. The amendment to which the gentleman from New York invites the attention of the Chair appears

to relate to penalty provisions. Certainly it would not be in order to section 1 of the bill which is now under consideration for amendment.

The Chair would advise the gentleman to examine the bill and determine to what part of the bill with relation to penalties his amendment relates.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDWIN ARTHUR HALL. Does the Chair feel that this amendment might be presented at the end of section 2?

The CHAIRMAN. The Chair has advised the gentleman that it would not be in order to section 1, which is the section now under consideration. The Chair suggests that the gentleman examine the bill with respect to the provisions relating to penalties. It appears to the Chair that probably section 7 might be the place where the gentleman might want to consider offering his amendment.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. In view of the fact that the Price Control Act itself will be subject to amendment in several different ways at several different points, will the Chair be so kind as to advise me when the amendment I have sent to the desk will be in order?

The CHAIRMAN. In reply to the gentleman's inquiry, a rather hurried examination of the amendment would indicate to the Chair that it might be appropriate at the point indicated in the amendment prepared by the gentleman.

Mr. HINSHAW. I thank the Chairman.

The CHAIRMAN. Permit the Chair to inquire if there are amendments to section 1 of the bill not proposing new sections?

Mr. CRAVENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS: Title I of the Emergency Price Control Act of 1942 as amended, is hereby amended by adding the following at the end of section 1 of said title:

"Notwithstanding the provisions of any other law, order, or regulation, the National War Labor Board, in the exercise of its authority, may prescribe the terms and conditions of employment (customarily included in collective bargaining agreements) which the parties shall observe, but the Board shall make no order requiring any person—

"(1) to sign any contract or agreement to which such person does not voluntarily agree;

"(2) to make any award or payment of any kind retroactive for a period of more than 90 days, such period to be measured from the date of final determination by the National War Labor Board;

"(3) to agree to submit any dispute to arbitration;

"(4) to do or perform any act after termination of the war, or of the life of the Board, or expiration of this act, whichever shall first occur;

"(5) to make any indirect wage or salary increase of any kind whatsoever except under regulations promulgated by the President and in strict conformity therewith.

"The jurisdiction of the National War Labor Board shall not extend to disputes involving issues determinable under the provisions of the National Labor Relations Act or of section 222 (f) of the Communications Act of 1934, as amended, and no order of the National War Labor Board shall require the execution, renewal, or extension of a contract with any labor organization as collective bargaining representative if the present majority of such organization, or the appropriateness of the unit it seeks to represent, has been drawn into question by one of the parties to the dispute, until such question shall have been determined by the National Labor Relations Board.

"COURT REVIEW

"(a) Any person aggrieved by any decision, directive, or order of the National War Labor Board (hereinafter in this section called the 'Board') may obtain a review of such decision, directive, or order in the Circuit Court of Appeals of the United States for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court within 60 days after the entry of such decision, directive, or order, a written petition praying that such decision, directive, or order of the Board be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the record upon which such decision, directive, or order complained of was entered. Upon the filing of such transcript, such court shall have exclusive jurisdiction to review all directives, decisions, and orders of the Board complained of and may hold unlawful and set aside such directives, decisions, or orders insofar as they are found—

"(1) contrary to constitutional right, power, privilege, or immunity;

"(2) in excess of statutory authority, jurisdiction, or limitations or short of statutory right, grant, privilege, or benefit;

"(3) made or issued without full observance of all procedures required by law;

"(4) unsupported by substantial, credible, and material evidence upon the whole administrative record; or

"(5) arbitrary or capricious.

"(b) The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28, as amended, of the Judicial Code.

"(c) The decision of the Board shall remain in effect pending final decision in the courts: *Provided*, That no remedial or punitive measures shall be taken or instituted against any person subject to such directive, decision, or order pending judicial review as provided herein unless the court having jurisdiction of the case shall upon a proper showing by the Board find such measures necessary to further the prosecution of the war.

"(d) Nothing in this section shall be construed as being a bar to the prosecution of any suit now pending before any court seeking a review of the legality of a directive, decision, or order of the Board, and no person shall be prejudiced by reason of any prior or subsequent denial of jurisdiction, and in the event of a denial of jurisdiction by any court on the grounds of lack of jurisdiction or for want of a cause of action, such person may bring his suit under the provisions of this section."

Mr. SPENCE. Mr. Chairman, I desire to make a point of order against the amendment offered by the gentleman from Arkansas [Mr. CRAVENS].

The CHAIRMAN. The gentleman will state his point of order.

Mr. SPENCE. Mr. Chairman, the amendment goes very much further than any of the provisions of the bill we are considering. It not only includes wages but it includes working conditions, the relationship of employer to employee and the settlement of labor disputes, none of which are involved in this bill and none of which, it seems to me, are germane or in the contemplated purposes of any provision of the pending bill.

The CHAIRMAN. Does the gentleman from Arkansas [Mr. CRAVENS] desire to be heard on the point of order?

Mr. CRAVENS. Mr. Chairman, may I direct the attention of the Chair to the fact that H. R. 4941, section 1, now under consideration, refers to section 1 of the Emergency Price Control Act of 1942, as amended, which in turn refers specifically to the National War Labor Board. I am proceeding on the theory that the express reference to the National War Labor Board would make germane any matter which might control the action or conduct or jurisdiction of that Board.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Arkansas offers an amendment which has been reported, to which the gentleman from Kentucky [Mr. SPENCE] makes a point of order on the ground it is not germane, for the reasons stated by him.

The Chair invites attention to the fact that in the Emergency Price Control Act of 1942, as amended, reference is made to stabilization of prices and wages. This act and the Emergency Stabilization Act are amended by provisions of the pending bill.

The Chair also invites attention to the fact that the amendment offered by the gentleman from Arkansas [Mr. CRAVENS] seeks to include provisions relating to contracts and agreements with respect to employee and employer relationships which are beyond the scope of the pending bill or the appropriate provisions of the acts sought to be amended by the pending bill.

The Chair feels it is also appropriate to invite attention to the fact that during discussion of the rule which was adopted for the consideration of the pending bill it was pointed out that a waiver of points of order would be necessary in order to make certain amendments in order, one of which doubtlessly is the amendment here presented by the gentleman from Arkansas [Mr. CRAVENS]. The rule adopted by the House did not contain such a waiver.

The Chair is therefore constrained to rule that the amendment offered is not germane and sustains the point of order.

Mr. CRAVENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS. Section I of the Emergency Price Control Act of 1942, as amended, is hereby amended by adding the following to the end of section 1 (a) of said title:

"*Provided, however*, That the National War Labor Board, in the exercise of its authority, may prescribe the terms and conditions of employment (customarily included in collective-bargaining agreements) which the parties shall observe, but the Board shall make no order requiring any person—

"(1) to sign any contract or agreement to which such person does not voluntarily agree;

"(2) to make any award or payment of any kind retroactive for a period of more than 90 days; such period to be measured from the date of final determination by the National War Labor Board;

"(3) to agree to submit any dispute to arbitration;

"(4) to do or perform any act after termination of the war, or of the life of the Board, or expiration of this act, whichever shall first occur;

"(5) to make any indirect wage or salary increase of any kind whatsoever except under regulations promulgated by the President and in strict conformity therewith.

Provided, moreover, That the jurisdiction of the National War Labor Board shall not extend to disputes involving issues determinable under the provisions of the National Labor Relations Act or of section 222 (f) of the Communications Act of 1934, as amended, and no order of the National War Labor Board shall require the execution, renewal, or extension of a contract with any labor organization as collective-bargaining representative if the present majority of such organization, or the appropriateness of the unit it seeks to represent, has been drawn into question by one of the parties to the dispute, until such question shall have been determined by the National Labor Relations Board.

Provided, further, That any person aggrieved by any decision, directive, or order of the National War Labor Board (hereinafter in this section called the "Board") may obtain a review of such decision, directive, or order in the circuit court of appeals of the United States for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court within 60 days after the entry of such decision, directive, or order, a written petition praying that such decision, directive, or order of the Board be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the record upon which such decision, directive, or order complained of was entered. Upon the filing of such transcript, such court shall have exclusive jurisdiction to review all directives, decisions, and orders of the Board complained of and may hold unlawful and set aside such directives, decisions, or orders insofar as they are found—

"(1) contrary to constitutional right, power, privilege, or immunity;

"(2) in excess of statutory authority, jurisdiction, or limitations or short of statutory right, grant, privilege, or benefit;

"(3) made or issued without full observance of all procedures required by law;

"(4) unsupported by substantial, credible, and material evidence upon the whole administrative record; or

"(5) arbitrary or capricious.

And, the judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28, as amended, of the Judicial Code.

However, the decision of the Board shall remain in effect pending final decision in the courts: *Provided,* That no remedial or punitive measures shall be taken or instituted against any person subject to such directive, decision, or order pending judicial review as provided herein unless the court having jurisdiction of the case shall upon a proper showing by the Board find such measures necessary to further the prosecution of the war.

"But, nothing in this section shall be construed as being a bar to the prosecution of any suit now pending before any court seeking a review of the legality of a directive, decision, or order of the Board, and no person shall be prejudiced by reason of any prior or subsequent denial of jurisdiction, and in the event of a denial of jurisdiction by any court on the grounds of lack of jurisdiction or for want of a cause of action, such person may bring his suit under the provisions of this section."

Mr. SPENCE. Mr. Chairman, I make the same point of order against this amendment that I did to the previous amendment.

The CHAIRMAN. The gentleman from Kentucky makes the point of order on the same grounds as he did to the previous amendment. The Chair is of the opinion that the same reasoning would apply with respect to the point of order made against this amendment as applied to the previous amendment, and therefore sustains the point of order.

Mr. CRAVENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS: Amend title I of the Emergency Price Control Act of 1942, as amended, by adding the following to the end of section 1 of said title:

Provided, however, That the National War Labor Board shall make no order requiring any person, firm, or corporation to pay retroactive or back wages for a period of more than 90 days, such period to be measured from the date of final determination by the National War Labor Board."

Mr. SPENCE. Mr. Chairman, I make the point of order against the amendment that it is not germane. It provides for the relationship and pay between employer and employee.

The CHAIRMAN. For the reasons indicated as applicable to the previous amendment, the Chair sustains the point of order.

The Clerk read as follows:

SEC. 2. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest 2-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general

increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided,* That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods: *Provided further,* That this act shall not be construed or interpreted in such a way as to give the Administrator the right to fix profits where such action has no relation to price control. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term 'regulation or order' means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustment therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within 5 days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than 60 days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within 60 days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this act. So far as practicable,

in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

"(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this act. The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order. Whenever the Administrator shall find that the availability of adequate rental housing accommodations and other relevant factors are such as to eliminate speculative, unwarranted, and abnormal increases in rents and to prevent profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this act shall be forthwith abolished in such areas theretofore designated by the Administrator as defense-rental areas; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purposes of this act, to reestablish the regulation of rents in any such defense-rental area, he may forthwith by regulation or order establish maximum rents for housing accommodations in the area in accordance with the standards set forth in this act.

"(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store, or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however*, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this act with respect to such commodity.

"(g) Regulations, orders, and requirements under this act may contain such provisions

as the administrator deems necessary to prevent the circumvention or evasion thereof.

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices:

"(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

"(j) Nothing in this act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 12, line 2, at the end of section 2 add the following paragraph:

"(k) The Administrator shall, without regard to the limitations contained in this Act or the Stabilization Act of 1942, adjust any maximum price or rent to the extent that it may be necessary to correct gross inequities."

Mr. SPENCE. If the gentleman will yield, that is the amendment the gentleman submitted, is it not?

Mr. WOLCOTT. Yes.

Mr. SPENCE. We have no objection to that amendment, Mr. Chairman. It is a clarifying amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. FOLGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: Amend paragraph (h) of section 2 by adding at the end thereof the following:

"Nor shall such powers be used to deny to any individual producer of a product processed or manufactured in whole or in substantial part from an agricultural commodity including livestock, a fair and equitable margin of profit on each product or commodity. In no event shall a margin or margins of profit be held to be fair and equitable hereunder as to any producer whose cost is not above the highest cost among producers of 90 percent of the product involved when such margin or margins of profit will deny to the producer a return of profit from his operations equal to that realized in the normal pre-war period, and where neither the producer's percentage of profit on sales nor his percentage of return on capital invested (both figured without compelling changes in the business practices, cost practices or methods, or means or aids to distribution established in the producer's business) is above such percentage in the normal pre-war period.

"The maximum price or prices established under this act or otherwise for any producer affected hereby shall be adjusted to

the extent necessary to conform with the requirements of this paragraph as promptly as possible and within 60 days after the date of the enactment hereof."

Mr. FOLGER. Mr. Chairman, the amendment to H. R. 4941 is a matter of simple minimum of justice to those producers in the country who are caught in deficiencies of administration of the Price Control Act. It refers not to producers who were making more or as much in normal peacetimes. It touches only those cases where the producer is making less than in peacetimes. It affects also the small manufacturer or producer and is intended to aid him in continuing in business.

The subject is industry ceilings rather than the power of adjustment of ceilings for individual producers who have been caught in a hazardous position. Mr. Brownlee's testimony makes the clear statement that in industries costs of goods vary greatly for different producing units. This might happen through inefficiency or waste, but this amendment is not seeking to treat that subject, which is disposed of by requirement of a cost not above that of the highest cost of producers of 90 percent of the product. The producer who produces a higher grade of material or manufactured product will have a higher cost of raw materials, and the higher cost of his product is not through inefficiency but because he buys a high grade of raw material, producing products of a higher cost classification.

There is no alternative against severe and unjustifiable hurt to any producer in these situations as the law is now administered. Mr. Brownlee admits that costs vary greatly between units in industries. These administrators continue to apply, however, the rule, but do not attempt to defend it very seriously. Mr. Brownlee testified in the hearings on this proposal for O. P. A. extension that they were using and were going to more and more use individual ceilings to relieve against inequities. He laid down no standards of inequity, and this amendment, following the line of Mr. Brownlee's lead, simply recognizes one such class of inequities and provides the relief therefor. To deny the relief proposed to units who instead of profiting from the war are making less in actual dollar return, making a smaller percentage of profit on a unit of sales, and making a smaller percentage return on invested capital, is to give to O. P. A. a purpose which was not a part of its original concept or the purpose of Congress.

We are, too, seeing certain industries, under the industry ceiling plan, make unheard-of profits while other small industries are suffering, some having to discontinue business and others running at a loss.

Passing over with mere mention unwarranted dislocations and injustices that, but for this amendment, will be forced among competing units in industries, the effects upon growers of farm commodities can be disastrous. The provision for parity will mean less if manufacturers, in order to exist, have to pay lower prices for raw materials. When those who purchase the highest grades of commodities find themselves penalized

for so doing, it may easily become impossible for them to pay substantial prices for agricultural products and other raw materials. At the best, a high pressure against better farm prices is established and applied.

The effect upon stabilization or control of inflation or cost of living is not attributable to this bill. Without the relief provided by this amendment it is apparent that when a price raise becomes necessary in an industry, the raise will affect all of the products in the classification, though some producers may not need the raise. This is where the unusual profits accrue to some at this time. It takes no imagination to see that as far as inflation or the cost of living is concerned the argument is with the method of this amendment and against the present method of using only industry ceilings. And again attention is called to the fact that the provisions of this amendment are exactly in line with Mr. Brownlee's testimony, and goes further only in that it recognizes one set of standards for the application of his proposal to use individual ceilings to relieve against injustices.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. AUGUST H. ANDRESEN. As I understand, the amendment of the gentleman simply provides that in making regulations and fixing prices these prices shall be based upon a fair and equitable margin.

Mr. FOLGER. The gentleman is correct.

Mr. AUGUST H. ANDRESEN. And in no event shall profits be permitted that are in excess of the profits made on the volume of business as it was before the war started?

Mr. FOLGER. That is correct.

Mr. AUGUST H. ANDRESEN. I think the amendment is a very good amendment.

Mr. FOLGER. Repeating, I say passing over with mere mention the dislocations and injustices which, except for this amendment, will be forced upon competing units in industry, the effect upon growers of farm commodities can be disastrous when those who purchase the highest grades of commodities find themselves penalized for so doing and it may easily become impossible for them to continue so to do. At the best a high pressure against the base prices for farm products is established and applied.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman.

Mr. BARRY. Does this amendment increase the prices or permit the Administrator to set prices above parity; or forbid him to do so?

Mr. FOLGER. It does not interfere with that. There is simply a 90-percent margin, or above that there is a margin that is not considered in the fixing of any price.

Mr. BARRY. Under the present law the Administrator cannot set a price below parity.

Mr. FOLGER. This does not change it.

Mr. BARRY. Whom does the amendment actually affect, the producer or the grower?

Mr. FOLGER. It affects the growers more than anything else, I think. Of course, it does affect the industry all along and the individuals within the industry. It appears to me that industry ceilings open the door to depressing farm prices unless you adopt the 90-percent formula.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. BECKWORTH. Would it affect the processor who has been losing money because of rules and regulations that have been promulgated by the O. P. A.?

Mr. FOLGER. My opinion is it would affect them favorably in the case of the man who has found himself unable, almost, to process.

Mr. BARRY. Can the gentleman state how many price ceilings this amendment would affect?

Mr. FOLGER. No; I do not know that.

Mr. BARRY. It would have the effect of increasing or raising price ceilings; would it not?

Mr. FOLGER. It would apply to the 90 percent of producers based upon the cost paid by 90 percent of the producers in a certain industry.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

This amendment was never considered by the committee. Hence I am not familiar with its effect. However, I do know that it guarantees to the producers of manufactured or agricultural commodities in whole or in part a profit on every individual item. That, it seems to me, is a highly inflationary provision. I know that most of the gentlemen who introduced amendments of this kind have in view the primary producer, but I think they are relying on a broken reed when they think that by increasing the price the manufacturer can obtain for his products they are going to help the farmer. The manufacturer buys as cheaply as he can, and in normal times sells in the highest market that he can find. I hope this amendment will be voted down. We do not know what effect it will have upon the whole program and this is a program not only for the farmers but also all the American citizens. I think the farmer would probably be more injuriously affected by any breaking down of this program than any other segment of the American people.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ZIMMERMAN. The gentleman has stated that he does not believe that increasing the profit of the processor will in any way help the producer of raw material?

Mr. SPENCE. It will not necessarily help the producer of raw material.

Mr. ZIMMERMAN. What does the committee propose to do for the cotton farmer who has been selling his cotton below parity and at a loss at a time when the cost of production is the highest in

all history? What does it propose to do for that man who is engaged in an essential industry for this Nation at this critical time?

Mr. SPENCE. The history of industrial America, I believe, will show that to increase the price of the product to the consumer will not necessarily, and will not usually, increase the prices of the primary producer.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. Is it not a fact that the testimony before the committee was that the ceiling prices now allowed to the processors in most cases will permit them to pay parity for cotton? And they are not paying it; they can pay, and they are not doing it?

Mr. SPENCE. And the testimony brought out more than that. There was testimony that some of the processors were making nine times as much as they made before the war.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ZIMMERMAN. In view of the testimony that these processors are making nine times more than they should, I respectfully ask the chairman of the committee and the members of this committee why some consideration has not been given to the producers of these raw materials, something that was guaranteed to them—that is, a fair price?

Mr. SPENCE. May I make one statement which I would ask the members of the committee to keep in view; this is not a bill to raise the prices. This is a bill to hold the line to prevent inflation. If we break the line here we are going to break it in other places.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MORRISON of North Carolina. This amendment, as I understand it, seeks to guarantee that the manufacturer will not make less than he made before the war. Does that mean a percentage of profit or total volume of profit? Some of them who were making little money on a very small volume of business are now doing many times greater volume of business and ought to do it on a smaller percentage.

Mr. SPENCE. I am not in position to give any definite information on this amendment because the committee never considered it. We do not know what effect it will have. For that reason alone I think it should be voted down.

Mr. MORRISON of North Carolina. As I understand the amendment, it seems to me it has a very grave defect, and at least ought to be clarified. If we seek to let the manufacturer make as much as he made before the war, what do we mean by that? Percentage of profit, or volume of profit?

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. PLOESER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to call the attention of the Committee to the fact that there are some instances, and I am thinking particularly of one product of

the meat industry, beef, one product, in which the Office of Price Administration has not only established a ceiling for the processor, but they have used the subsidy injuriously. O. P. A. has attempted to enforce a floor on beef. To effect this floor they have established a penalty point on subsidy. I am of the opinion that this practice is both illegal and dishonest. When the chairman of the Committee on Banking and Currency says there is a normal reaction takes place by virtue of the ceiling on the processor, which naturally holds down the price that he has to pay to the producer, he speaks in error, because the Office of Price Administration of its own action seeks to defeat that sort of a normal process.

There are many processors who process more than one commodity. For example, in the meat industry today some packers process hogs, beef, and lamb. Others may only process hogs. In the hog-processing operation today there is a profit and they are getting along very well. Others may process only lambs. Others may process only beef. In the case of those who are processing beef today, they lose considerable money for every head of cattle they kill. Many of these processors have been forced to close their doors. We have a situation in the Nation today where we have more beef cattle than ever before in history, and yet the market becomes thinner and thinner and thinner. I believe this amendment would correct that situation.

Mr. BECKWORTH. Will the gentleman yield?

Mr. PLOESER. I yield.

Mr. BECKWORTH. Is it not true that the smaller processors are losing money fastest?

Mr. PLOESER. The small processor is the one who is going out of business. His day for losing money is near an end. He is about to collapse.

Mr. BECKWORTH. Is there anything in this bill as brought in today that will effectively take care of the little processor in such a way that he is not today being taken care of?

Mr. PLOESER. There may be, and when we get to the end of the bill we will be able to tell. There will be some attempts made to correct this bill so as to weaken the bill.

Mr. BECKWORTH. But this amendment is along the line of helping take care of these small processors who are today losing money?

Mr. PLOESER. If this bill is sincere in its entirety this amendment does not affect the purpose of the bill, because there are other sections of the bill which call for the recognition of established accounting practices and costs that are proper in the establishment of a price. If the bill is sincere in its entirety, then this amendment cannot injure it.

Mr. BARRY. Will the gentleman yield?

Mr. PLOESER. I yield.

Mr. BARRY. Is the gentleman in a position to inform the House just how many price ceilings will be raised to the consumer by the adoption of this amendment?

Mr. PLOESER. I have spoken only of one industry about which I have made considerable study. I am not in a position to give such information and I do not pretend to be. Neither is the gentleman. But there are no necessities for an increase of the retail price ceiling in the beef market in order to accomplish what I have been talking about, and this bill can accomplish it without increasing the retail ceiling price.

Mr. BARRY. The gentleman will concede that this amendment may be very far-reaching. Does he not think it should have been considered by the committee before being brought to the floor of the House?

Mr. PLOESER. I do not concede the amendment is far-reaching, with injurious result, and I am not responsible for what the committee did or did not consider. There are many subjects that the committee may have considered. They would probably be of the opinion that they did not have time to hear everything.

Mr. BARRY. The gentleman will concede that it will have the effect of increasing a great many ceilings to the consumer.

Mr. PLOESER. I do not concede any such thing and I prefer you do not try to interpret my thoughts in that way.

Mr. HARNES of Indiana. Will the gentleman yield?

Mr. PLOESER. I yield.

Mr. HARNES of Indiana. It is recognized by all of us that these small industry processors will be put out of business if they do not get some relief. Why did not the committee go into it and give them some relief? Whose fault is it that the committee did not consider it?

Mr. PLOESER. Of course, that inquiry will have to be directed to the chairman of the committee and not to me.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. PLOESER] has expired.

Mr. RUSSELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I approve of what the gentleman from Missouri [Mr. PLOESER] just said with respect to many, many little businesses that are being put out of business by the low ceiling prices.

I would not care for them going out of business if I felt it was necessary to carry on the war, or even if I thought it would aid in any way in carrying on the war effort. I would make no complaint about it. But to save my life, I cannot see how such actions taken on the part of the O. P. A. will aid in the war effort or aid in holding down inflation. So I must raise my voice and express my sentiments against such action.

I have an isolated case, a peculiar case in my district. That is with reference to the bread situation. In my State we have a State law that does not permit bakers to make bread on the quarter-pound loaf. It must be a pound and a half or a pound loaf. In my district they have placed a ceiling price for the pound and a quarter loaf of bread at 11 cents. The bakers in my State cannot make a pound and a quarter. They are necessarily compelled, under the

State law to make a pound and a half, and thereby lose money on it. The little baker in my home town had to quit business. We have no bakery in my home town now. In many of the smaller towns in my district the bakers have closed their doors and gone out of business. The largest baker in my district is situated in the largest point. That bakery kept a book account and lost approximately \$2,500 in their bread business in the first 3 months of this year. The O. P. A. in Washington has all the facts. They admit that this bakery has lost that money and yet for those 3 months they sat by and said, "We know something ought to be done. We are trying to figure out what to do. We are going to do something about it."

Mr. MAHON. Will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. MAHON. Does not the gentleman think that in cases such as that an appeal to the courts should be provided for?

Mr. RUSSELL. It should be provided for in every case. That is the cherished ideal of the American people, guaranteed by the Constitution that has meant so much to the American people. I spoke to the O. P. A. the other day. I said, "You are violating the law. As I understand the law it says that you cannot set a ceiling lower than the cost of production of any commodity." And they admitted it.

We are going to do something about it but yet they are going to let that little man lose \$10,000 before they do anything. Then it is too late, it is gone. I believe this amendment would help in such cases. I believe the amendment goes farther, that it will lower the prices in some instances because of the profits made before the war. In many instances they were not making any profits to speak of. I do not want the baker to get rich by the war effort, I do not want anyone to get rich by the war effort, but I do want him to get enough out of it so that he may continue to carry on his business. The bread business at this time is a substantial one and a necessary one; it has to be carried on. We could hardly go ahead without it. It is a time-saving device for the people of our country. There was a time in the pioneer days when we did not have the bakers to depend upon, but that day has long since passed and gone; and now, when such businesses are losing that much money and when the small bakers have had to take the loss, it is time, I say, to do something about it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. PATMAN. This is an amendment that would guarantee a profit to big business. This is not a bill to guarantee profits and freeze prices; this is a bill to prevent inflation; it is a stabilization bill. If everyone here who has a special interest in increasing the price of certain commodities succeeds we will not have any stabilization, we will not have any

price control, we will have runaway inflation. I doubt that there is a Member of this House who has not some change in mind that he would like to see made in O. P. A. I suspect we all have, but in cases like this we have got to trust the administration of the law to the executive branch. We are the legislative body, we cannot execute these laws; the President of the United States was elected by the people to do that and he is charged under the Constitution with that duty just like we are charged with the duty of making the laws. We cannot do everything as we would wish to.

This particular amendment goes much further than I thought at first. This guarantees a profit to this extent: Take the case of a concern which before the war had say a million dollars' worth of business a year but today by reason of the abnormal situation and the seller's market and the scarcity of goods is doing 10 or 20 times as much business. They did not put any agents out to solicit this business, they do not have any costs like that, but the business comes to them and the Government is paying for about 50 percent of this business. So whenever you increase a price you are increasing the cost of the war and the national debt by that amount. I therefore want to beg and plead with the Members of this House to realize the danger we are facing if we do not have adequate controls against inflation, that inflation can cause us to lose this war. It has happened in other countries, it can happen here if we have a race between wages and prices and your money becomes valueless and your bonds are not worth a penny. Do you think people will work for worthless money? They certainly will not, and if people do not work and do not produce how are we going to back up the fighting men on the 55 fighting fronts of the world?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the chairman of the committee.

Mr. SPENCE. Equality of treatment is the very strength of price control. If this precedent is set I do not see how we can refuse the same benefits to all other manufacturers and processors, if you grant it to the manufacturers and processors of agricultural commodities.

Mr. PATMAN. And I hope no one is deceived into believing that if we pour money in at the top it is going to trickle down to the bottom. We have tried that. It will not work. I hope no one is deceived into believing that if you pay the processors more they are going to use the increase of their profits to pay the farmers more; they will not. Mr. Bowles is in favor of paying the farmers 100 percent parity on cotton. He so testified before the committee in answer to my questions. They are trying to work out plans under which the producers can get every cent that the act says the farmers are entitled to receive under the parity and other price supports our committee has said they should receive.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FITZPATRICK. If we amend this act to make it take care of every desired increase it means inflation, does it not?

Mr. PATMAN. Absolutely; and inflation means ruin. Inflation means we are losing the war here on the home front; it means that we are losing the war abroad. It means that we are stabbing our fighting men in the back and their dependents here at home while they are fighting our battles on foreign soil; it means that we here at home are destroying them on the home front.

Now let me say something about this bill. Whether we like it or not we have got to grant broad powers to someone to do what is necessary to prevent inflation. During the past 12 months it has actually worked. During the past 12 months your dollar has been worth as much as it was 12 months ago.

That never happened before in the history of any nation on earth.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. HOFFMAN. Reserving the right to object—

Mr. PATMAN. I ask for the regular order, of course, if the gentleman is going to do that.

Mr. HOFFMAN. Then, Mr. Chairman, I object.

Mr. BECKWORTH. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. BECKWORTH. Mr. Chairman, I am in favor of this amendment which has been offered by the gentleman from North Carolina, Representative FOLGER, an able and distinguished member of the Banking and Currency Committee. Certainly something ought to be done during the consideration of this bill to help what might be termed the small, independent meat processors and anyone else who is situated as they are. I have had in my district a case which I believe is very similar to a number of cases throughout the Nation. One of my constituents is the owner of a small meat-packing plant, the only one left in our district, incidentally. He came here to Washington to try to obtain relief that would enable him to remain in business. We went to see Mr. Bowles and discussed with him the problems of this meat packer. Mr. Bowles said he could not help us, that he would send us to Mr. Brownlee. We went to Mr. Brownlee. Mr. Brownlee referred us to Mr. John Madigan. Both insisted that we see Hon. Marvin Jones, the War Food Administrator. We went to see Mr. Jones, and Mr. Jones indicated the problems were really under the jurisdiction of Hon. Fred Vinson. Twice I talked over the phone to Fred Vinson, but nothing has been done over a period of 5 months to assist packers like the one of whom I speak, and his case is not dissimilar to many others.

The essence of what has happened is this, that over a period of some 5 months this packer has been losing about \$2,000 a month on beef, according to the figures

I saw, and nothing yet has been done by any of the administrators. The chairman of the Banking and Currency Committee a moment ago said he believes in equality of sacrifice. I say that equality of sacrifice so much desired has not been obtained, when small independent processors and businessmen, whatever their field of activity may be, are being forced out of business while the big ones are making more money than ever before. No one contends this is fair. Any amendment that bids fair to help on a situation of the type I have described ought to be adopted. If there is something wrong with the amendment as written, it can be perfected in conference. Certainly we ought to keep these small fellows in business and I believe this amendment will do much good along this line.

Mr. PLOESER. Will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Missouri.

Mr. PLOESER. The case which the gentleman has cited in his own district is just one of hundreds in the United States. Many have been forced to close their doors and the action in closing is depriving not only the civilians of beef, but the Army of the United States as well.

Mr. BECKWORTH. The gentleman is exactly right. If there ever was such a thing as a royal run-around, those fellows have got it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina [Mr. FOLGER].

Mr. Chairman, in reserving the right to object, when the gentleman from Texas [Mr. PATMAN] asked for an additional 5 minutes, it was not my purpose to object. What I wanted to learn was whether the debate would continue through today and tomorrow and we would vote on Monday. From the leaders on both sides I have had different statements about that. Some of us have waited here during the 9 hours of general debate, some of us who have been on these various committees investigating this matter, and we have been unable to obtain time. I do not care how long anyone talks, it is all right with me but it will aid all Members if we may be advised.

Mr. PATMAN. Will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. PATMAN. Of course I have no authority to answer that question. I can tell the gentleman my opinion if he wants it. My opinion is that we will determine one way or the other in the next 2 or 3 hours what we are going to do. If we lose control of the bill we have lost it and we will get through this afternoon. If we vote down these amendments and save it, we ought to get through this afternoon.

Mr. HOFFMAN. In other words, if the old steam roller is properly greased and oiled, as it was yesterday on the vote on the rule, we are through right now and we might as well quit. We had an illustration the other day of how that machine

works. I do not know how the gentleman who just preceded me, who is complaining so bitterly, voted on the rule, but I do want to say that all who went along with the leaders on both sides have no reason to kick now if these young administrators skin the hides off your constituents in the respective districts. Here is our chance to serve our own people.

The gentleman from Texas said that this is a stabilization bill. I am sorry but I cannot agree with him because before we are through with this debate, the gentleman from New Jersey [Mr. HARTLEY] will show you where Order 330 increases the price of the very things that the C. I. O. boys want held down. I am for the C. I. O. today. I would like to stabilize prices. We will show you where O. P. A. increases the prices that the C. I. O. boys want stabilized and held to a certain level. There is not a Member of this House, even if he were as dumb as some of these columnists and radio commentators say we are, who does not know that we cannot have stabilization unless we take into consideration the question of wages when we are computing costs.

I sat on the Smith committee and I heard an attorney for the packers testify that they paid no attention to the regulations of the O. P. A. in the meat industry. He said they either violated them or circumvented them and that if they did not, neither the armed forces nor the civilian population would get meat. On the other hand, the little fellow in the district represented by the gentleman from Tennessee, in the district represented by the gentleman from Missouri [Mr. PLOESER], and in my district, as well as other districts, who kills a few cattle, who wants to supply his former customers, is out of business, and when you put those people out of business and you try to do something about them you get the run-around to which the gentleman referred. There are many hardship cases in other industries of the same nature. When you get the head of one of these departments before your committee and ask him, "What are you going to do about it?" or when you ask the chairman of the Banking and Currency Committee as I did the other day, when you ask the ranking minority Member as I did the other day, "What are you going to do about this?" "What relief will you give in these hardship cases?" Where you require a concern to pay out \$700,000 in back wages, which puts it out of business, they give you the run-around. They tell you, "We will take it up some other time." They say, "That is too bad, that is his hard luck."

Mr. Chairman, the time to cure that evil is now when we have this bill before us. I may say to the Members on the minority side, we have been criticizing these fellows over here, we have been telling them what is wrong. It is about time that we begin to vote as we talk or else quit and go home or go along with the New Dealers. There are enough Democratic votes over there on the left to go along with us and win. I heard Chester Bowles say and I heard the head of the War Labor Board say in the hearings before the Smith committee, in sub-

stance when these cases were pointed out, "That is just that fellow's hard luck." Well, if you get enough fellows in hard luck like that the whole economy of the Government goes down. Now is the time to fix it.

Mr. SHAFER. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Michigan.

Mr. SHAFER. Why does not the gentleman include among those on the other side the gentleman who has written a magazine story on this?

Mr. HOFFMAN. Oh, some of them have repented. If we will show a little unity over here on our side and get a sizable vote against the practices of which we have complained, there will be enough Members over there to go along with us to win. They have hit the old sawdust trail and they will go along with us if we show a little determination. The people are tired of words without acts and they are looking to the Republicans for leadership and for relief.

JUSTICE TO OUR CONSTITUENTS

This Congress has been enacting legislation and appropriating billions of dollars to aid the people of almost every nation on earth. But, when the American taxpayer, the people who elected us, prove that they are not receiving equal justice under law, we turn down their pleas, go along with the bureaucrats whom we have so often condemned and vowed to curb.

We have probably received more complaints pointing out the hardships growing out of the administration of O. P. A. than we have received about the administration of any other or all Government agencies, except that relating to the administration of the N. L. R. B. and the War Labor Board.

Time and again our people have demanded relief. Day after day, Republicans from the floor of the House and in letters to their constituents have bitterly denounced specific inequitable actions of the O. P. A.

This is our opportunity to correct some of the practices which are not effective as holding the price line and which are destroying the business of many a citizen and compelling consumers to pay higher prices for articles of poorer quality.

The pending amendment was designed to do away with M. P. R. 330, known to the trade as the highest price line limitation.

That order of the O. P. A., governing women's and children's wear, in effect stipulates that retailers cannot increase prices on old lines or add new and higher priced lines of goods. On its face, it appears to be a price-stabilizing measure. As administered, it results in:

First. Higher prices to the consumer;
Second. The stifling of competition;
Third. A deterioration in quality; and
Fourth. A disappearance from the market of the cheaper lines of merchandise.

The testimony taken by the Banking and Currency Committee and by the Select Committee to Investigate Executive Agencies demonstrates the truth of these assertions.

A brief but comprehensive statement of the issue is given in the letter of February 7, 1944, from the W. T. Grant Co. to the Smith committee. That letter and certain exhibits attached to it are attached hereto and marked "Exhibit Y."

In brief, M. P. R. 330 provides that no retailer can sell for a higher price any women's, girls', or children's outer wear at a higher price than he charged for the same article prior to the issuing of the order. It also provides that he cannot add a new or a higher-priced line of women's, girls', or children's outer wear.

The result is that, if a merchant, prior to the issuance of the order, sold a \$2 dress, he could not thereafter sell the same dress for more than \$2; nor could he add a higher-priced dress. If, however, the merchant sold a \$2 dress, a \$4 dress, and a \$10 dress, or if he was not in business and went into business after the issuance of the order, he could sell the \$2 dress for \$5.

The result has been, as shown by the chart of the National Independent Conference Board, a disinterested, nonprofit organization, that, from January 1, 1942, to July 31, 1943, the ready-to-wear lines went from a base of 115.28 to 128.58, an increase of 13.30 percent, while all other lines increased in price only from 118.43 to 124.29, an increase of but 5.86 percent.

Take a concrete example: A woman's cotton, commonly called seersucker, blue and white polka-dot dress, purchased at the Hat Box, 412 State Street, St. Joseph, Mich., cost \$3.95. Had it not been for this same order, this same dress would have sold for \$2.98.

The result on this particular line of dresses was that the customer in St. Joseph, Berrien County, Mich., in the Fourth Congressional District, paid 97 cents more than she would have paid had the order not been issued.

A misses' slack suit, blue rayon poplin, purchased at Rimes & Hildebrand, St. Joseph, Mich., for \$9.85, had it not been for the order, would have sold for \$7.98—a saving to the customer of \$1.87. The customer pays, and will pay, even if O. P. A.'s latest amendment is put into effect, \$1.87 more because of the enforcement of M. P. R. 330.

A dress purchased in Columbia, S. C., for \$3.99, could and would be sold by a competitor, if he were permitted to sell that dress, for \$2.98. In South Carolina the customer, because of order 330, pays \$1.01 more for that particular dress.

A result of the order has been to put out of business manufacturers making the cheaper line of goods. As an illustration:

A cotton coat which sold in the fall of 1942 for \$7.98 was manufactured by 37 concerns. In the fall of 1943, not a factory was making that priced cotton coat.

There were 106 concerns making a \$9.98 cotton coat in the fall of 1942. None made that priced coat in the fall of 1943.

And, while fewer manufacturers were making women's cotton coats in 1943 than there were in 1942, the discrepancy was not so great.

In the spring of 1942, 20 people were making women's cotton dresses which sold at \$1.29. In 1943, no one was making that priced dress.

When it came to rayon, in the fall of 1942, while 14 concerns were making \$1.98 dresses, just 1 company was making them in the fall of 1943.

Sixteen hundred and nine concerns were making a \$7.98 dress in the fall of 1942, and 1,407 companies were making the same dress in 1943.

Those figures show how the available number of cheap cotton dresses fell off, while, on a comparison basis, higher priced cotton and higher priced rayons more than held their own.

In 1942, of dresses that sold for \$1, 65,000 were available; but in 1944 there will be none.

In the fall of 1942, of rayon dresses which sold at \$2.98, there were 214,152, while, in 1943, there were 227,298 sold.

Take women's and misses' coats: In 1942, the coats which sold for \$9.98 numbered 5,427; but, in 1943, they had dropped to 1,217; while the coat which sold for \$12.98—\$3 more—jumped in number from 3,899 to 7,276.

The C. I. O., in its Price Control Bulletin No. 8, received on June 2, objected to the increase in the price of house-dresses, play suits, and several other items, and it asked this Congress to hold the line.

The exhibits which I have offered, and which will be printed in the RECORD, show conclusively that the result of M. P. R. 330 has been to increase the price on every piece of merchandise affected by it.

Surely the C. I. O. is interested in children's overalls which are available to its members. Thirty-six hundred 25-cent children's overalls were sold in 1942, but in 1943 there were none available.

There were 10,000 less of the 59-cent overalls offered for sale in 1943 than were sold in 1942.

The 69-cent garment jumped from a sales volume of 75,600 pieces to 133,200, and the 89-cent children's overall went from a sales figure of 60,000 in 1942, to 147,600 in 1943.

Take an article with which we all at one time or another have been familiar—the lowly diaper. In 1942 six diapers, 27 by 27, made of 4.52 weight bird's eye cloth, cost the wholesaler 48 cents and 49 cents and, during the spring of 1943, 50.7 cents. They sold for 69 cents the half dozen.

In the spring of 1944, the manufacturer found that he could no longer produce diapers at that price, so he discontinued making the lighter weight, and manufactured a heavier diaper of 5.73 bird's eye cloth. For this he charged 63 cents the half dozen, and the retailer was allowed to sell for 89 cents.

The O. P. A. not only increased the price of women's and children's wear, but it lessened the baby's chance of getting a diaper by adding 40 cents to the cost of a dozen.

The figures show that the cheaper priced garments went off the market—the higher priced came on.

Yet the C. I. O. asks us to go along with the Banking and Currency Committee in its approval of this O. P. A. legislation.

For myself, I intend to vote for the Hartley amendment.

Nor is this the whole of the story.

The quality of the merchandise has deteriorated, which means that more money is paid for a poorer garment today than before M. P. R. 330 went into effect. This is not a matter of argument, Chester Bowles, O. P. A. Administrator, testifying before the Pepper subcommittee of the Senate Education and Labor Committee, referred to "quality deterioration" in women's dresses as, and I quote, "alarming."

He said that the \$3.90 dress then on the market was of no better quality than the former \$1.98 dress, and he referred to "quality deterioration" as a "national scandal."

Yet Chester Bowles insists that he be permitted to continue this practice, which is putting the cheaper lines of goods off the market, increasing the cost and lessening the quality.

David R. Craig, president of the American Retail Federation, whose membership includes 30 State trade associations and 18 national trade associations, representing 600,000 stores, said:

A small increase in the price of an inexpensive coat would keep that coat on the market. But we were told that a little increase, like a little cocaine, is habit-forming, and the line must be held. There were three results. The line was held; the inexpensive coat disappeared; and it was the customer who had to raise her sights to the more expensive price lines.

Many Members of this House have received from their constituents complaints showing how the complainant, some business associate or some acquaintance has been put out of business or his business ruined by this order.

When the hardships growing out of this order or other orders issued by one of these governmental agencies are called to their attention in a committee hearing, I have heard the one responsible for the order more than once, after admitting the injustice, the hardship; after acknowledging that the complainant would be put out of business, say, in answer to my question as to what could be done, that it was just too bad, it was the citizen's hard luck.

The American businessman, the American consumer, who comes to the O. P. A. asking for bread is given a stone. This House today and tomorrow has the opportunity to give relief to our constituents from the arbitrary and unjust orders which have been issued by this agency.

The people of this country are looking to the Republicans in Congress; they are looking to the Republican leadership to make good on their criticism of the New Deal bureaucrats by adopting clarifying, remedial amendments.

The people know that there are enough Democrats in this House who do not believe in unjust New Deal orders and directives who will support the Republicans on such amendments to put them through. If we fail to do it, the people will hold us responsible, for they are sick and tired of words without acts.

I hope that the Republicans will show a united front and demonstrate to our people that we are capable of vigorous, constructive action; that we mean what we have said and that we intend, whenever opportunity offers, not only to prevent inflation, but to stabilize prices.

EXHIBIT Y

W. T. GRANT CO.,
New York, February 7, 1944.

The SELECT COMMITTEE TO INVESTIGATE

EXECUTIVE AGENCIES,
House of Representatives,
Washington, D. C.

GENTLEMEN: The following data is presented for the purpose of petitioning the Congress to (a) remove highest price line limitation clauses from all existing price regulations, and (b) amend the Emergency Price Control Act to forbid the Office of Price Administration from inserting any such clauses in future regulations.

A. EXPLANATION OF HIGHEST PRICE LINE LIMITATION

To date the Office of Price Administration has issued over 700 regulations applicable to our business. All of these excepting three are strictly price control regulations, but the following three include, in addition to provisions for determining ceiling prices for the commodities included therein, a highest price line limitation.

M. P. R. 177: Men's and boys' outerwear.

M. P. R. 178: Fur garments.

M. P. R. 330: Women's, girls', and children's outerwear.

These price line provisions have no bearing on the determination of specific selling prices for any articles. Instead, they improperly prohibit the sale of lines of merchandise not previously carried. If, for example, a store carried no higher than \$2 dresses during a base period it may not now carry better dresses regardless of the fact that there may not be any \$2 dresses, or customers may not want to purchase \$2 dresses because they are of such inferior quality. At the same time, competitors who happen to have sold more expensive dresses during the base periods may now continue to sell them, or newcomers who sold no dresses during the base periods are permitted to sell whatever goods are available at their customary margins.

B. OFFICE OF PRICE ADMINISTRATION'S CLAIMS FOR HIGHEST PRICE LINE LIMITATIONS

In the statement of considerations filed with the Division of the Federal Register, February 18, 1943, simultaneously with the issuance of Maximum Price Regulation 330, the Administrator stated:

"Prices during the fall and winter of 1943 for the 31 categories of garments previously covered by this regulation (i. e., women's, girls', and children's dresses, coats, suits, jackets, skirts, etc.) will be held to the levels which prevailed in 1942. Also because of the continuance of the highest price line limitation, some assurance is provided that these garments will be available to consumers in customary price brackets. In the case of the 15 new categories of garments (slacks and slack suits, blouses under size 30 and various toddler garments) some reduction in prices as well as price lines should result. This is so because the pricing methods of this regulation constitute an improvement over the looser pricing rules of the General Maximum Price Regulation and because of the highest price line limitation which is now imposed for the first time on these types of garments.

"In the opinion of the Administrator, the ceiling prices established are generally fair and equitable and will not cause an increase in the cost of living."

In his press release of February 18, 1943, the Price Administrator made the following comments:

"Consumers will continue to find women's and children's garments, such as dresses, suits, coats, skirts and blouses, for sale at

approximately the same price levels that prevailed during the last spring and summer seasons for substantially the same quality of apparel, the Office of Price Administration announced today.

"This is assured through issuance of the O. P. A. pricing rules that retailers and wholesalers of these outerwear garments will use.

"O. P. A. previously stabilized manufacturers' prices for these garments and assured maintenance of quality standards through its regulation setting ceiling prices for producers of women's and children's outerwear. This measure—Regulation 287—placed controls over mark-ups, selling prices and the minimum allowable costs of materials and labor that manufacturers are required to build into their garments."

O. P. A. advocates of the "highest price line limitation" theory have recently stated publicly that the inclusion of these clauses has had the following result:

1. That there has been less price increase on the commodities covered by high price line limitation clauses than on other lines.

2. That the inclusion of high price line limitation clauses has had the effect of keeping low-priced merchandise available to the public.

3. That sellers have been kept in the brackets in which they belong.

None of these claims is factual as the data which follow will prove:

C. WHAT HAS HAPPENED TO PRICES OF THE COMMODITIES INVOLVED?

As indicated previously the highest price line restrictions have absolutely no bearing on the determination of specific selling prices. They do, however, limit or eliminate the competition of distributors of low-priced commodities, thus permitting the high-priced retailer the exclusive right to handle available goods and to sell at prices higher than would obtain were he required to face the competition of the low-priced distributor. It is axiomatic that such provisions encourage rather than prevent price increases and therefore it is not at all surprising that retail prices of merchandise covered by "highest price line limitation" provisions have advanced much more rapidly than have other lines.

The most comprehensive index of retail prices in the United States is prepared by the National Industrial Conference Board for use in the retail industry in the valuation of inventories. The information used in the preparation of this index is obtained from a highly detailed questionnaire containing over 700 items, which is sent to more than 900 companies, each with a retail volume in excess of \$500,000. While this is by far the most accurate study of its kind ever attempted, and although specifications for each item have been definitized, the Conference Board explains that it is probable that the full extent of price change has not been reflected, because with price freezing there has been no adequate control to regulate quality deterioration. This is particularly true of merchandise having a high style factor and generally sold in fixed price ranges, such as is the case in practically all lines covered by regulation 330.

The Conference Board index shows definitely that the increase in price of ready-to-wear lines (all of which are covered by price-line limitation provisions) during the period from July 31, 1942, to July 31, 1943, has been much more rapid, 7.13 percent, than has the price increase in lines not covered by price-line limitation provisions, which is only 1.87 percent.

The price indexes for the six ready-to-wear departments are as follows:

Indexes of retail prices, department stores, including mail-order chains and variety stores

[Jan. 31, 1941=100]

	July 31, 1942	July 31, 1943	Percent change
51 Coats, women's and misses'.....	113.23	121.36	7.18
53 Dresses, women's and misses'.....	112.54	120.53	7.10
54 Blouses and skirts.....	123.07	126.07	2.02
55 Girls' wear.....	118.14	121.28	2.66
57 House dresses and uniforms.....	138.02	148.30	7.45
59 Furs.....	119.59	136.05	13.76
Total ready-to-wear departments.....	120.02	128.58	7.13
Total, all other lines (excluding ready-to-wear departments).....	122.01	124.29	1.87

The National Industrial Conference Board has prepared a chart showing the movement of prices of items covered by regulations 178 and 330 as compared with the movement of prices of other lines. This chart indicates graphically how sharply ready-to-wear lines have advanced during the spring period of 1943 as compared with other lines. Data covering the fall of 1943 will not be available until about the middle of March. The conference board's chart is attached (marked "A").

A complete copy of the conference board index is attached (marked "B").

D. IS LOW-PRICED MERCHANDISE AVAILABLE TO THE PUBLIC?

The disappearance of low-price lines has been as pronounced, if not more pronounced, in women's outerwear as in any other line. A chart is attached (marked "C") showing the number of manufacturers of women's coats and dresses in various price ranges during each of the spring and fall seasons of 1942 and 1943. Please note the number of instances in which low-priced lines have completely disappeared from the market, such as coats at \$7.98 and \$9.98; cotton dresses at \$1.29; as well as the number of instances in which merchandise has practically disappeared from the market, such as coats at \$10.98, \$12.98, and \$14.98; cotton dresses at \$1.59; and rayon dresses at \$1.98 and \$2.98. Data covering the spring period of 1944 are not yet available, but we know that there has been a further dropping off of the manufacturers producing garments in the lower-price ranges. For example, there are now only five manufacturers in New York City producing dresses to retail at \$1.98, and not one of these manufacturers is now in position to take orders for delivery within the next 60 days.

Also attached is a chart (marked "D") listing a sampling of low-priced items together with the actual sales of this company during the years 1942 and 1943 and the estimated quantities available for 1944. Please note the drastic decline in the unit sales of these items and the very small quantities that are estimated to be available during 1944. In reviewing this chart it should be kept in mind that we purchased all the low-priced items we possibly could during the year 1943, and plan to do so for 1944, because this type of merchandise is the lifeblood of our business.

E. WHAT ABOUT QUALITY DETERIORATION?

In his testimony before the Pepper subcommittee of the Senate Education and Labor Committee a short time ago, Price Administrator Chester Bowles referred to "quality deterioration" in women's dresses as "alarming." He stated that \$3.98 dresses were of no better quality than former \$1.98 dresses,

and referred to "quality deterioration" as "a national scandal."

Business Week, in their issue of September 25, 1943, made some very interesting comparisons of quality and price and indicated that O. P. A. had charted quality deterioration of as much as 30 percent. A copy of this article is attached (marked "E").

In issuing the highest price line limitation O. P. A. prefaced the regulation with the statement "In order that consumers may continue to buy garments at customary price levels this regulation provides, etc." They have assumed an obligation to control prices and qualities in the preretail markets which has certainly not been discharged. O. P. A. has known full well of the high degree of quality deterioration. The New York district office staff of the O. P. A. charted it in a series of O. P. A. graphics, Nos. 4512, 4513, and 4514, which are attached (marked "F," "G," and "H"). These charts, which were prepared at the end of the spring 1943 season, indicate sharp increases in practically all price ranges of dresses, coats, and suits, some of them as high as 60 percent.

The following are typical examples of quality deterioration:

A broadcloth short-sleeve blouse that was formerly sold for 59 cents must now be sold for \$1.29.

A rayon blouse which formerly sold for 98 cents must now be sold for \$1.98.

The former long-sleeve rayon blouse that sold for \$1.98 is better than the present blouse that must be sold for \$2.98. An equivalent blouse would sell for not less than \$3.59.

The present \$1.98 cotton dress is the equivalent of the former 59-cent dress with approximately 10 cents' worth of styling added.

The present \$2.98 cotton dress is the equivalent of the former \$1.59 dress with approximately 20 cents in styling added.

The former \$2.98 rayon dress must now sell for \$4.98.

The present \$7.98 rayon dress is not better than the former \$4.98.

Coats formerly sold for \$9.98 must now be sold for \$14.98.

Former \$12.98 coats must now be sold for \$16.98.

Former \$14.98 coats must now be sold for \$21.98.

Fur-trimmed coats which formerly sold for \$25 must now be sold for \$38.

Girls' cotton dresses formerly sold at \$1.98 must now be sold at \$2.98.

F. THE GRANT CO.'S POSITION ON PRICE CONTROL

We sincerely believe in price control and consider it a vital wartime necessity. Our records substantiate the fact that we have practiced it.

Further, we realize that price control regulations are necessarily complicated. We take no exception to any method the Office of Price Administration may employ in fixing selling prices of specific articles, whether these be established by a squeeze technique, or by freezing dollars and cents ceiling prices, or by freezing mark-up percentages, provided of course that the regulations have general applicability and effect as Congress has provided.

On the other hand, we take serious exception when the Price Administrator issues, under the guise of a price regulation, a provision which has no bearing on the fixing of a specific selling price but, instead, prohibits us from selling the items that we require to supply our customers' needs. We contend that the Administrator's action encourages rather than prevents unwarranted and abnormal increases in price by needlessly and harmfully restricting our competition as well as that of those retailers similarly situated. We have customarily distributed large quantities of low-priced commodities at low gross profits. We insist that we be permitted to continue to do so and guarantee that our

prices will be as low or lower than any prices which the Administrator may legally permit.

It is obvious that if merchandise is distributed by companies with low margins prices will be lower than would be the case if the same merchandise were distributed by companies with high margins.

We believe that no sizable retail business that earns a profit operates at as low a margin as we do. Certainly our margin is one of the lowest in the retail industry. Attached is a chart (marked "I") showing the gross margins of forty-odd competitive companies during each of the past 5 years.

Also attached please find a chart (marked "J") comparing our gross margin with that of the general average of department stores and limited-price stores. Please note that during 1942, the first year of price control, our margin declined from 34.16 percent to 33.81 percent, whereas the margin of department stores increased from 38.3 percent to 38.7 percent, and that of limited-price stores increased from 36.36 percent to 36.66 percent. Note how much lower our margins are than those of our competitors.

Also attached please find a chart (marked "K") comparing our mark-up with the general average of department and specialty stores. It will be noted that during the year 1942 our mark-up on purchases declined from 35.15 percent to 34.75 percent, whereas the national average of department and specialty stores remained constant at 40.1 percent.

During the year 1942 the expense of doing business increased and this, combined with the decline in gross profit referred to above, resulted in a decline in our net profit of \$600,000. We complied with every price control regulation that was issued regardless of the resultant effect on our margin. We decided as a matter of policy, in the early stages of price control, that we would not appeal for relief and this policy has since been followed with only one exception. We joined in the appeal for relief of a shirt manufacturer who was about to be forced out of production, one of the fastest-selling low-priced shirts in America. After 5 months of haggling and furnishing figures we obtained the right to pay him a slightly increased cost (much less than he needed to continue production) and authorization to sell the shirt at a slightly increased selling price, so slight in fact that we have since suffered a net loss.

G. DID CONGRESS AUTHORIZE REGULATIONS OF THIS KIND?

Surely they did not. In issuing prohibitive regulations of this kind that have no bearing on price control the Office of Price Administration has assumed powers not granted by Congress. There is no language in the Emergency Price Control Act which would permit such action.

Rather, the reverse is true. Section 2 provides that regulations have "general applicability and effect," that the Administrator "shall so far as practicable, advise and consult with representative members of the industry," and that the powers granted shall not be used "to compel changes in the business practices * * * established in any industry." Or by indirection, "nothing in this act shall be construed to require any person to sell any commodity" certainly infers that the Price Administrator cannot construe the act to require that we not sell lines of goods that are priced in accordance with regulations issued by his office.

H. SOME OF THE EFFECTS OF PRICE-LINE LIMITATION ON OUR BUSINESS

The O. P. A. interprets Maximum Price Regulation 330 to mean that each of our 493 stores is a separate seller. Although the context of the regulation specifies otherwise, and clearly defines a seller, O. P. A. contends that the definition of "seller" which appeared in the General Maximum Price Regulation is

meant to apply in M. P. R. 330. In a recent court case of another company, O. P. A. argued that this was intended and that if the O. P. A. meant to make a change of this kind they would have mentioned it in the Statement of Considerations accompanying Regulation 330. In that case the court upheld O. P. A.'s contention. In our case this matter has yet to be litigated.

The fact of the matter is that our company is one seller. Our stores are not autonomous units, and O. P. A. regulations can't make them so. Stores are operated centrally and all of our merchandise is purchased and priced centrally.

Our business is in the popular price field. During the various base periods, fall 1941, March 1942, our highest prices, for example, were as follows: Women's and misses' coats, \$38; women's and misses' dresses, \$14.98; and girls' dresses, \$4.98. In every community in which we operate there are competitive stores performing substantially the same customer services as we that are legally permitted to sell in price ranges higher than we are.

Compliance with O. P. A.'s interpretation produces some very strange results:

In many of our stores we are denied the right to sell price ranges of women's coats over \$17, although we have steady customer demand in these stores for our regular lines of coats ranging in price up to \$38, and we have excellent physical facilities for the display and sale of these coats.

However, in many other stores where we are not equipped to sell coats the regulations permit us to carry them up to any price range carried by a competitor simply because we did not happen to sell coats in these stores during the base periods.

In certain of our stores we may sell coats in any price range carried by competitors during the spring, but are limited to \$17 during the fall.

In many of our stores we are limited to \$6 as the highest price line of girls' jackets in sizes 7 to 14, but in these same stores we may sell children's jackets in sizes 3 to 6 up to any price carried by a competitor.

Likewise, in many stores we are limited to \$2 on cotton dresses for girls, sizes 7 to 14, but we may carry teen-age dresses for girls in sizes 10 to 16 in any price range.

Although we have an excellent line of \$2.98 cotton dresses that are ordinarily sold by competitors for prices from \$3.39 to \$3.99, we are prohibited from selling these dresses in more than 200 of our stores at \$2.98, although O. P. A. regulations would permit us to charge more than \$2.98 for the same dresses in our remaining stores.

In many large metropolitan centers we have a number of stores—12 in metropolitan Boston, 15 in New York, 8 in Buffalo. Some of these stores are permitted to carry all of our merchandise lines, while others are restricted to prices of \$2 for cotton dresses, \$5 for rayon dresses, \$17 for coats, etc.

An absurd situation exists in one city in which the store was relocated in May of 1942. The new store is several times its former size and has a modern, up-to-date ready-to-wear section. This store is permitted to carry coats, suits, and millinery in price ranges as high as any of its competitors because these lines were not sold in the old store, but because the old store sold some wash dresses in March of 1942 we are prohibited from carrying cotton dresses at a higher price than \$2 and rayon dresses at a higher price than \$5.

We contend that the high price line provision of this regulation is not price control in any sense of the word. The Administrator, in attempting to enforce such a regulation, is acting in utter disregard of the intent of Congress and is compelling changes in our business that have no bearing whatever on price control. This is certainly in direct contravention to the provisions of the Emergency Price Control Act.

We can make a sizable contribution to lowering the cost of living in the 493 towns

in which our stores are located if permitted to distribute our regular lines of merchandise at our customary low margins.

I. CAN WE DEFEND OURSELVES IN COURT?

We were approached by the legal staff of O. P. A. in July of 1943. They informed us that while there was no question of the prices we were charging, in their opinion we were in violation of Maximum Price Regulation 330 in that they believed that we had in certain of our stores violated the highest price line limitation provision. During the discussion that followed, practically all the data included in this communication were discussed. Much to our surprise the O. P. A. representative advised that we would be prohibited from offering any testimony on the economics or equity of this matter in court and offered us "one last chance to protest to the Price Administrator." Because we did not agree with O. P. A.'s multiple-seller interpretation of the regulation and because we felt that we had not violated either the spirit or the letter of the regulation or of the Emergency Price Control Act we declined to protest to the Administrator but, rather, informed the O. P. A. legal representative that we felt our position was absolutely sound, economically and legally, that if he felt the matter should be brought into court we would prefer to contest the matter in the regular courts rather than with the Administrator or the Emergency Court of Appeals. We sensed from the discussion that O. P. A. seemed to want to avoid our having recourse to the regular courts of law.

The O. P. A. then brought action against us in the United States District Court of New York on August 7, 1943. Before filing an answer to their complaint, which we felt would adversely affect price-control enforcement, we addressed a letter to Mr. Chester Bowles, copy of which is attached (marked "L"). Failing to receive even an acknowledgement of this communication, we were compelled on September 15, 1943, to file our answer. In it we denied every allegation contained in the complaint and offered eight separate defenses. At present the case is scheduled for trial on March 15, but seven of our eight defenses have been stricken as not proper because of the provision of the Emergency Price Control Act which is interpreted to mean that no court is open to us except the Emergency Court of Appeals, notwithstanding the fact that we are in the district court because of action initiated by the O. P. A. Several Supreme Court cases are now pending on this point and we have offered briefs as amici curiae in two of them, but if the lower court's interpretation is sustained by the Supreme Court, it would certainly seem that congressional action to amend the act is necessary. The following, briefly stated, are the defenses which were stricken:

1. That although prior to price control considerable sums were spent in altering stores to provide space for broadening lines of women's ready-to-wear, O. P. A. attempts to prohibit us from using the space for its intended purpose.

2. That the O. P. A. is attempting to regulate our business and stifle competition in a manner not authorized by Congress. That MPR 330 is not a price-control regulation.

3. That the O. P. A. did not advise and consult with representatives of the industry although it was practical for them to do so.

4. That the O. P. A. regulation did not establish prices that were generally fair and equitable.

5. That the O. P. A. assumed powers not delegated by Congress, or such powers were improperly delegated in contravention of article 1, section 1 of the Constitution.

6. That we were being deprived of property without due process of law in contra-

vention of the fifth amendment to the Constitution.

7. That as construed and enforced by O. P. A., the Emergency Price Control Act limits and restricts persons charged with violation of any regulations from interposing any defense and thus the act is unconstitutional in that it denies due process of law.

Is it possible that we could be indicted for the violation of an illegal act without being permitted to offer our defenses in courts of law?

BUSINESSMEN AND O. P. A. OFFICIALS AGREE THAT HIGH-PRICE-LINE LIMITATION IS WRONG AND SHOULD BE ELIMINATED

We have yet to find a single businessman, large or small, that does not immediately recognize the unfairness and inequity in the "high-price-line limitation."

Dr. David R. Craig, president of the American Retail Federation (membership includes 30 State trade associations, 18 national trade associations, in total representing 600,000 stores) says:

"A small increase in the price of an inexpensive coat would keep that coat on the market. But we were told that a little increase, like a little cocaine, is habit-forming, and the line must be held. There were three results. The line was held; the inexpensive coat disappeared; and it was the customer who had to raise her sights to the more expensive price lines. This is known as protecting the consumer's purchasing power and keeping down the cost of living.

"It feels good to say that. There is a perfect 'statement of considerations' to support a reversal of the hold-the-line policy. It satisfies the soul.

"But does it answer the question, 'How are you going to prevent inflation?'"

Dr. Paul H. Nystrom, president of the Limited Price Variety Stores Association (whose membership includes 6,480 stores, large and small, chain and independent, some from every State in the Union): "We must protest this needless and harmful restriction on retailers who have up to present maintained but few price lines. Neither the war effort nor the public interest helpfully served by such regulation."

Mr. Lew Hahn of the National Retail Dry Goods Association (whose membership includes over 6,000 department and specialty stores, large and small, chain and independent, from every State in the Union): "The no-higher price lines limitation should be completely eliminated from MPR-330 and from all other orders in which it appears."

"Retailers have objected to this provision almost from the very start of O. P. A.'s operations."

Mr. Reagan Connolly, until very recently Director of the Consumer Goods Division of the Office of Price Administration:

"The high-price-line-limitation provision is inequitable."

Industrial News Review:

"O. P. A.'s high-price-line limitation, by a maze of technicalities, actually prevents low-cost retailing. Who is promoting inflation?"

Time magazine:

"MPR-330 had an upside-down effect: It began to squeeze out of the market O. P. A.'s favorite price policemen, the big-volume, low unit-cost chains."

"The consumer is out in the cold."

New York World-Telegram:

"O. P. A. would appear to have brought about results which are directly opposite to those at which it had aimed. * * * Price increases probably are even larger than they would have been had the chain-store competition been allowed to exert its full force."

"O. P. A. is seeking to punish the very people who could contribute the most toward achieving its aim of holding prices down."

One of the higher-ups on O. P. A.'s legal staff:

"Certainly we don't have regulations of this kind. This can't be right. Something's wrong."

One of the present important O. P. A. executives:

"High price line limitation is a concoction of the devil."

And still another of the present executive staff:

"It stinks."

WE CAN'T DEPEND ON O. P. A. PROMISES

During the past 18 months we have had frequent conferences with many O. P. A. officials who completely agreed that the "high price line limitation" was inequitable and that it was not working out. We have received numerous assurances from persons in authority that immediate action would be taken to remedy the situation. But no action has been taken, except for an amendment of last November which removed the limitation provision from certain low-priced items—many of which are no longer being produced—but retained the theory in full effect on the bulk of low-priced goods currently available.

CONGRESSIONAL SAFEGUARDS ARE NECESSARY

O. P. A. is currently considering elimination or revision of the High Price Line Limitation. Their officials inform us that they will need to decide on this point before a proposed revised retail regulation can be issued, that the matter will probably be decided this month. Inasmuch as most of the present officials seem opposed to the limitation clauses, they may be eliminated. We hope so.

We have a great deal of confidence in Retailer Byers Gitchell, who knows what price control is, and knows how to run a business, but we don't know whether or not he will be permitted to overrule the "economists" who advocate this vicious order. His predecessor, Reagan Connolly, evidently was not permitted to do anything about it.

But even if price-line limitation is now removed there is no assurance that similar clauses will not be reinstated in the future. O. P. A. policy may change after extension of the act—Congress should impose safeguards:

1. Prohibit O. P. A. from restricting the right of any merchant to compete. Confine O. P. A. activity to price fixing.

2. Assure citizens the right to challenge the validity of regulations in any action brought by O. P. A.

Very truly yours,

R. H. FOGLER, President.

Number of manufacturers making women's coats in various price ranges

	Retail					
	\$7.98	\$9.98	\$10.98	\$12.98	\$14.98	\$16.98
Spring 1942.....	108	164	98	63	103	105
Fall 1942.....	37	105	143	115	172	173
Spring 1943.....	0	14	54	86	130	128
Fall 1943.....	0	0	8	15	43	116

	Retail				
	\$19.98	\$21.98	\$24.98	\$29.98	\$35
Spring 1942.....	140	183	206	138	187
Fall 1942.....	222	227	233	244	251
Spring 1943.....	172	169	167	139	142
Fall 1943.....	202	201	192	176	172

Number of manufacturers making women's cotton dresses in various price ranges

	Retail		
	\$1.29 each	\$1.59 each	\$1.98 each
Spring, 1942.....	20	23	38
July 1943.....	0	5	24

Number of manufacturers making women's rayon street dresses in various price ranges

	Retail					
	\$1.98	\$2.98	\$3.98	\$4.98	\$7.98	Above \$7.98
Spring 1942.....	37	91	31	124	208	1,339
Fall 1942.....	14	80	30	123	191	1,609
Spring 1943.....	8	79	39	141	220	1,407
Fall.....	1	7	34	108	155	-----

Retail	Sales		Estimated quantity available to W. T. Grant Co. for 1944
	1942	1943	
Women's and misses' cotton dresses:			
\$1.00.....	65,105	9,300	None
\$1.29.....	611,415	385,945	None
\$1.59.....	604,778	406,474	144,000
\$1.98.....	447,086	870,252	606,000
Women's and misses' rayon dresses:			
\$1.98.....	65,700	24,492	None
\$2.98.....	214,132	227,298	20,000
Women's and misses' coats:			
\$9.98.....	5,427	1,217	None
\$10.98.....	4,204	3,818	None
\$12.98.....	3,899	7,276	5,500
Women's and misses' skirts:			
\$1.29.....	36,000	None	None
\$1.98.....	62,000	95,000	48,000
Women's and misses' cotton blouses:			
\$0.69.....	292,750	82,310	None
\$1.29.....	89,950	103,100	12,000
\$1.98.....	7,500	63,100	60,000
Women's and misses' rayon blouses: \$1.29.....	155,000	78,000	None
Girls' cotton blouses, sizes 1 to 6:			
\$0.59.....	2,400	None	None
\$0.69.....	18,000	3,600	None
\$0.79.....	60,000	48,000	18,000
Girls' cotton dresses, sizes 7 to 14:			
\$0.79.....	175,200	None	None
\$1.19.....	165,600	216,000	None
\$1.29.....	None	24,000	12,000
Children's overalls, sizes 1 to 6:			
\$0.25.....	3,000	None	None
\$0.39.....	62,400	38,400	None
\$0.50.....	16,800	6,000	None
\$0.59.....	85,200	74,400	12,000
\$0.69.....	75,600	133,200	49,200
\$0.79.....	111,600	194,160	60,000
\$0.89.....	60,000	147,000	None

[From Business Week of September 25, 1943]

MARKETING

PRICE VERSUS QUALITY

Big merchandisers, cited by O. P. A., assert M. P. R. is fine in theory but won't work; lower price lines are off market.

Quality control is an essential part of price control. For that reason, many of O. P. A.'s price regulations—notably Maximum Price Regulation 330, governing women's and children's wear—stipulate in effect that retailers cannot increase prices on old lines or add new and higher price lines.

Just one objection

For a long time, it has been increasingly apparent in the trade that such regulation was a fine idea in theory but not in practice. How, retailers have asked, can you hold to

established price lines when you can't get those goods any more?

Last week the W. T. Grant Co., a variety chain operating in 39 States, filed its answer to an O. P. A. complaint charging it with violation of M. P. R. 330, and eight other mass distributors of women's apparel have been charged with similar violations. These eight are J. C. Penney, F. W. Woolworth, J. J. Newberry, McCrory Stores, H. L. Green, G. C. Murphy, Neisner Bros., and Montgomery Ward & Co. The first six of these are scheduled to appear at O. P. A. hearings in Washington next week. Montgomery Ward has taken stronger action by filing a suit against Price Administrator Prentiss Brown to enjoin and set aside M. P. R. 330.

Theoretical safeguard

In operating under MPR 330, the merchants are protected—again only in theory—by another regulation, MPR 287, which prohibits apparel manufacturers and wholesalers from adding higher-priced lines than they carried in the base period, but manufacturers can legally shift an increased quantity of materials into their highest price lines. And most of them—squeezed between ceilings and the rising cost of labor and scarce materials—have had to.

For example, Buyers Informant, basic directory of coat and dress manufacturers in the New York market, listed 108 manufacturers of coats to retail from \$5.75 to \$7.98 in the spring of 1942. The fall directory listed 37; spring and fall 1943, none.

In cottons and rayons

Similarly, of 20 manufacturers offering women's cotton dresses to be sold at \$1.29 in the spring of 1942, one remained in July 1943, the \$1.59 group had dwindled from 23 to 5, and the \$1.98 from 38 to 24. In rayon dress lines, only one of the 37 manufacturers offering dresses to be sold from \$1.37 to \$1.98 survived. Increased listings began at \$7.98.

In blouses, the situation is little better. One of the three largest manufacturers reports that in the spring of 1942 he made more blouses to sell at \$1.98 than any other price range, but he has not accepted an order for a \$1.98 blouse in over 5 months, and is concentrating on \$2.98 and \$3.98 lines.

Competitive pinch

This situation becomes doubly inflationary, the chains contend, when they can find no merchandise to sell as low price lines, but are enjoined from adding the next higher price line because they did not carry it in the base period, while either an independent store which has always carried higher price lines or a merchant who has never carried dresses can market the same line at a higher price.

The low-price chains do enough comparative buying to know they can prove with no particular trouble to O. P. A. that they undersell identical merchandise sold in department stores and other independents by a sizable margin.

O. P. A. on quality

And O. P. A. itself has charted quality deterioration, indicating that, in rayon dresses, 1942's \$2.50 quality now sells for \$3.30, \$4.75 for \$5.50, \$8.75 for \$10.75, and so on. Similarly, last year's \$14.75 coats now sell for \$16.50, etc. One company which was able to show fur-trimmed coats at \$16.50 in 1941, \$19.75 last year, now has nothing in this group for under \$29.75.

All of these inflationary conditions can logically be traced to the fabric shortage. In rayon, for instance, with 60 percent of a slightly increased production going into war uses, civilian processors are left but 240,000,000 pounds compared to 540,000,000 pounds formerly consumed. The price line shifts begin at the weaver's level. To cover overhead on a reduced volume, the weaver

turns out more top-quality gray goods, less low-priced yardage.

Converters follow suit

Faced with the same situation on a larger scale, the converter then processes materials to improve quality—and price. A common shift is from roller-printed fabrics which sell, under O. P. A., at 32 cents a yard to screen-printed fabrics which sell for 52 cents. Similarly, more expensive dyes and extra finishes may be, and are, added to increase the selling price of the yard goods.

Now when a manufacturer does turn out dresses at \$2.98 and \$1.98, he usually has to cut down on labor and use cheaper trimmings to make up for the high cost of material.

Black-market dodges

These presumably legitimate cost increases are frequently attributed to the black market in piece goods, which trade observers contend is greatly exaggerated. What usually happens is that a low-end producer finds that he can resell piece goods to a hard-pressed higher price line manufacturer at a better profit than he can make on the finished dress.

Most spectacular of the illegal transactions on record is in the sale of the cheese-cloth type of material usually used for the bottoms of upholstered chairs. Preinflation price was 3½ cents to 4 cents a yard retail. Recently it was being sold for 35 cents a yard at wholesale to be made into blouses.

Another method

Buyers have observed another evasion on the part of manufacturers. For example, a buyer calling on X company, New York manufacturer of a \$4.98 line of dresses, was told the firm was not taking any orders but that another concern, the Y company, operating at the same address had a dandy \$7.98 line. Similarly, the A company now offers \$9.98 dresses on the same premises where last year B company sold \$7.98 models.

All these attempts on the part of weavers, converters, manufacturers, brokers, etc., to make the best of a bad situation have only made conditions worse for low-priced retailers. And the worst is suspended sale of all merchandise covered by the O. P. A. complaints for violation of MPR 330. Grant, for instance, is denied the right to sell its \$3.98 line of dresses in 347 of its 492 outlets, and cannot sell its regular line of \$2.98 dresses in 223 of its stores.

And, as Grant's president, R. H. Folger, pointed out to the press last week, MPR 330 prevents 37 stores from selling women's coats at \$10.98 because they had previously carried coats only at lower prices. However, 401 other Grant stores are eligible to sell the same coats solely because these stores had not previously carried any coats.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

[Mr. SMITH of Virginia addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had not intended to debate this question, but I merely want to talk about it just a few minutes to say this: This amendment, if adopted, will undoubtedly bring about a rise in prices so far as the group of products embraced within its scope are concerned. If it is adopted, that will constitute the first break in the dam that holds the flood against inflation. If it is adopted, it is likely that you will adopt one for the oil people. Then if you adopt one for the oil people you will probably be asked to

adopt one for the coal people, and I happen to know that they do not need it; then also other industries. If one industry is to be given some favoritism, then why not all?

Those for whom I wish to speak today are the men on the battle fronts of the world, fighting, not for \$50 a month, but for their lives and the life of their country. They have bought bonds out of the \$50 they get. Their parents at home have bought bonds. Their brothers and sisters and their friends at home have bought bonds. You and I have bought bonds. If we reach uncontrolled inflation in this country, our bonds will be like the German marks were at the end of the First World War.

What I want to do is to hold the line against inflation, and I am willing to pay the sacrifice that it takes to hold it. I am opposed to lots of things that the Office of Price Administration is doing, but we must remember that in wartime, when the whole world is on fire, and when our boys are dying by the hundreds and thousands right at this hour, no doubt, in an effort to free the world, we can wreck the whole thing here by breaking the line against inflation.

I do hope that you will think about this amendment very carefully, and seriously.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Will the gentleman point out the provision in this bill which will increase prices and bring about this inflation that he talks about?

Mr. MAY. This amendment here offered is proposed to bring the prices of all farm products up, and it will do that. If it will not do that why are you, as a farm representative, supporting it? It will increase the price to the consumer and will amount to what we defeated once before, that of a subsidy.

Mr. AUGUST H. ANDRESEN. Does the gentleman think that the consumers will get food if the producer loses money on the food?

Mr. MAY. The producer is not losing money on the food at this time, is the fact about the matter. Of course, there are places where prices are fixed, and it hurts some group for a little while. All prices are already far above normal conditions due to war demands.

Mr. AUGUST H. ANDRESEN. All this amendment does is to direct the Administrator to provide a fair and equitable margin on the product that is sold.

Mr. MAY. A margin of what? Profit?

Mr. AUGUST H. ANDRESEN. A margin of profit.

Mr. MAY. That is exactly what it does.

Mr. AUGUST H. ANDRESEN. It leaves it in his hands to fix a fair and equitable margin.

Mr. MAY. He has already the authority to fix prices. I will say that when you make one break in a dam, there is going to come another, and if you do this, you can count on the House adopting an increase of 40 to 50 cents, or maybe a dollar, on a barrel of oil. I

have oil all over my district. I have coal in abundance. Every time there is a raise in wages they demand a raise in the price of coal, and that is just the program that this amendment would put in order.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Oklahoma.

Mr. DISNEY. The gentleman spoke about holding the line. A line that should be held should be a uniform, non-discriminatory line; does the gentleman not agree with that?

Mr. MAY. I certainly agree with that. When you realize that in China today a pair of shoes that sells in this country for \$4 sells for \$72, you will know what inflation means. We on the home front, or at least some people, think we are making vast sacrifices when, as a matter of fact, we are not. In this character of legislation we should look at the picture as a whole and not undertake to legislate for groups. The Committee on Banking and Currency has spent weeks in study and hearings on this subject, and I think the House should support their bill.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we admit and we have roundly denounced many of the administrative deficiencies in respect of price control. They are very many and they are very varied. We cannot hope, as a Congress, to administer that act, and we cannot hope to guarantee to correct all of the deficiencies in the administration of the act by legislation; otherwise we would be in the position of the Administrator himself. We threw up certain safeguards, and we did what was expected of us. We created certain standards and certain yardsticks as an aid in the enforcement of the act. We put certain limitations on the Administrator, and we have provided in this bill that he shall do certain things with respect to his power and limitation.

In the first place, as I understand this amendment, it seeks to control the income of the producer. You cannot do that by manipulating the maximum price. Witness the fact that recently there has been chaos in the egg and potato markets. It would not have made any difference whatsoever had we put a maximum price of 80 cents a dozen on eggs. The farmer would not have received 80 cents. We could have done likewise in respect of potatoes, but it would not have given the farmer any guaranty that he would get any greater return for his labor and production than he would have received otherwise. The only way that you can guarantee to the farmer or to the producer a reasonable profit, or parity, is through support prices as we are now doing through the Commodity Credit Corporation. That is the only way you can guarantee to the farmer that he is going to get a decent, respectable, livable income.

We have already set up in the act that the Administrator shall make modifications to cover a great many things. Let me read to you something which I think will indicate that in the adoption of this

amendment we are merely restating language which is now in the act. In the Stabilization Act, in section 3, we said this:

That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

That is a clear mandate to the Administrator to adjust these prices, to absorb these increases in production costs or other costs. If the Administrator has not followed the mandate of the Congress in that respect, that is a deficiency in administration, and it is only one of the many deficiencies in administration.

I hope the amendment will be defeated, otherwise I am afraid we will not be able to hold the line against price increases.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on the time to be devoted to this amendment.

I ask unanimous consent that the debate on this amendment close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I rise simply for the purpose of agreeing with the statement made by the distinguished gentleman from Michigan that we could not hope by this legislation to correct all of the mistakes or errors of administration made by the officials of the Office of Price Administration. I agree with him fully, because the gentlemen in that bureaucracy can make mistakes far more rapidly than we can possibly correct them. However, that is no reason why we should not attempt to correct by legislation, such mistakes as have been called to our attention, and where possible, prohibit and restrict such mistakes from being made in the future. Whenever we fail or refuse to consider amendments that would so restrict or correct such mistakes, we are also failing in our responsibility to our constituents and to the Nation we serve. I hope we will hear no more of the argument that the Office of Price Administration, or any other governmental agency for that matter, should be above reproach, or that its activities and work should not be reviewed here on this floor. I think we should openly, and fairly, and frankly consider any and every amendment that may be at all germane to this legislation. That is the position I took the other day on the rule, and that is the position I take now. I hope that we will, with open minds, fearlessly, frankly, and fairly, consider any amendment to this bill that will aid in bettering the present law and help the Office of Price Administration to administer it properly

and correctly. Such is our duty and our responsibility as the representatives of the people.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I do not think there is anyone in the House who wants to emasculate this O. P. A. bill or bring about any kind of uncontrolled inflation, but we must correct a lot of inequities in the present set-up. Several of them have been brought to my attention from my district.

I have one concern that processes farm products into a breakfast food. They have for many years sold a product for about half the price that the larger breakfast food concerns sell an equal quality product. Because of that, naturally they are in the low price line bracket and they have been unable to get their price raised. I have tried for over 2 years to help them get relief; but it seems some one in the O. P. A. is not interested in saving a concern which is selling food at a low fair price.

I am wondering if this amendment would not take care of just such concerns as that. If it does, certainly it is needed, because we have many factories that will go out of business, and then where will the much needed taxes come from, and where will our returning veteran get a job?

We have listened to the gentleman from Texas [Mr. PATMAN] and I like him, but sometimes I think he talks too much and does not listen quite enough. He is not worried about the little fellow, he is not worried, it seems, about the fellow that is going to pay the taxes to refill this Treasury of ours so that we may really stop inflation.

Mr. PATMAN. That is a misstatement.

Mr. JENSEN. That is the idea that most of us get from the gentleman's speeches. It seems that he does not care if a lot of these concerns go out of business.

Mr. PATMAN. The gentleman is mistaken, absolutely mistaken. Fewer of them are going out of business now than ever before in the history of the United States of America.

Mr. JENSEN. I am sure the gentleman does not want that statement to go in the RECORD.

Mr. PATMAN. Is it in the RECORD this morning. I think the gentleman will find it in my remarks. I gave year by year the number that have gone out of business. That is absolutely true.

Mr. JENSEN. The gentleman knows that thousands of small concerns have already been forced out of business because of inequities in price control, and unless relief is immediate many more thousands of them will be forced out of business and remember it is the small well-managed manufacturers who are holding down costs today on a great many commodities.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the very able and well-informed gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. There seem to be some people who are in favor of helping the big fellow and putting the little fellow out of business.

Mr. JENSEN. Absolutely. That is what is going on today, and unless Congress writes into this bill proper safeguards for equality our whole business economy will fail, then the big and little alike will suffer and all of us will go down in the crash.

The CHAIRMAN. The gentleman from New York [Mr. BARRY] is recognized.

Mr. BARRY. Mr. Chairman, in discussing this amendment reference has been made to the plight of the farmer. I want to take this opportunity to refer the Members of the House to the testimony of Judge Marvin Jones, formerly Chairman of the Committee on Agriculture, and certainly a friend of the farmer. He stated that under this bill the farmers' prices have gone from 85 percent of parity to 117 percent of parity, an increase of 32 percent, or really more than that because the calculation of parity changes, and it is probably an increase of more than 40 percent, since January of 1941. At the same time it was testified by Mr. Jones that production has increased more than 30 percent since January of 1941. Secretary of Agriculture Wickard testified that the farmer today is getting more money and is in a better position than he has ever been in the history of the country.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. ZIMMERMAN. The gentleman from New York is not saying nor that Mr. Jones is saying, that great segment of our population engaged in the production of cotton is getting more money than they ever got before?

Mr. BARRY. I am talking about the average price of agricultural commodities being 117 percent of parity. Cotton is not in that category; and there are some other agricultural commodities which are higher and others lower.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. JENSEN. As I understand this amendment, it will take care of inequities that are taking place today. It is not an overall bill.

Mr. BARRY. As I understand this amendment, it guarantees a profit to every processor, whether he ever had a profit before or did not have a profit.

Mr. ZIMMERMAN. The gentleman will admit that very little consideration has been given that great group of American farmers engaged in cotton production who are getting less than parity?

Mr. BARRY. Cotton is one commodity that is not above parity as I understand it.

Mr. ZIMMERMAN. I hope the gentleman will join with us in trying to correct that.

Mr. BARRY. We are not supposed to guarantee parity. That is an ideal goal which the farmers have for years aimed at.

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized.

Mr. SUMNERS of Texas. Mr. Chairman, I am not prepared to discuss this amendment which I have just heard, but I am interested in its objective. I want to direct attention to what seems to me to be a fault in the philosophy which is guiding this price fixing. It should be more effectively recognized that small business, small people who in communities are performing a very useful community service and a most useful service in the social and governmental structure of the country do not ordinarily have the equipment, the machinery of organization, to produce as cheaply as a big concern can produce, especially one which can utilize all byproducts. They are, however, rendering other services for which the people in the communities are willing to pay. Otherwise they would buy from the bigger concerns that can sell more cheaply.

It is poor governmental policy not to recognize and seek to preserve these small businesses which constitute the yeomanry in business and industry. People who do not want to pay the prices these small concerns must charge in order to live can buy from the bigger producers if they want to. To put these small producers on the same selling prices that bigger producers can live on is the judgment of death for them.

This general plan and over-all arrangement of prices, which makes no allowance for the conditions under which the small man produces and no allowance for community convenience and willingness to pay a higher price, is not a sound policy. I do not care what the statistics of my distinguished friend from Texas show, these little men, this particular group of little men, are being squeezed out of business. If these little men are able to provide service or to have the support of community pride, or the fact that people who work in these plants own their homes in these communities, or for any other reason, are willing to pay above what an outside big concern will sell at, whose business is it? If the governmental agencies will permit the little man to sell at a price that will keep him going, if the people do not want to pay that price they will have the same opportunity to buy from a big outfit which they would have after the little man had been "busted" by his Government.

There are some community concerns that are rendering a good community service; they are buying that which is produced in the community, processing it with community labor, and selling it to the people in the community. Insofar as I can see it, insofar as the price which the general public has to pay, if you permit these smaller businesses to continue to live, the opportunity of the public in these communities to buy from the big concerns would not be disturbed. If the people want to pay them enough to keep them going, who is hurt? Whose business is it in a free country? If the people do not want to pay such a price, they do not have to. What is wrong with that? I ask that question of any-

body on the committee. What is wrong about putting it in as a part of the basic philosophy of this price-making outfit that where you establish uniformity of prices covering the major part of production, a provision be incorporated recognizing the public interest in keeping alive these smaller businesses serving the community, if the people want to keep them alive.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. PATMAN. I will venture to say, with all due respect to the distinguished gentleman from Texas, that not a dozen establishments have been squeezed out, such as the gentleman suggests.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. MONRONEY. If I understand the gentleman's question correctly, he wants the small producer given some extra help so that he can meet the competition of the bigger man. I would like to say to the gentleman that 80 cents a hundredweight on livestock is now paid to these small producers such as the gentleman from Texas has mentioned and is talking about, and that has relieved a great deal of suffering and hardship that existed before the extra payment of 80 cents per hundredweight was given.

The CHAIRMAN. The gentleman from Oklahoma [Mr. RIZLEY] is recognized.

Mr. RIZLEY. Mr. Chairman, like my distinguished friend from Texas, I, perhaps, do not understand the full import of this amendment. But I do know it has something to do with correcting some of the inequities which we have heard so much about in price control, and which I believe will aid in giving the small businessman a chance to exist. The only answers that the gentlemen of the committee make to any of the arguments, thus far advanced in support of the amendment which, in my opinion, is not an argument at all and I am getting awfully tired of hearing it myself, is first, "You just must not break the line." Well, what line? I thought the purpose of this price-control bill was to keep a line that was fair and equitable to everyone. The other argument which the distinguished Member from Kentucky makes, and I am getting terribly tired of hearing that argument, is that we are stifling the efforts of our boys that are fighting over there today. No one could be any more interested in our boys than am I, but I am interested in those boys coming back to a Government which believes in the kind of philosophy they think they are fighting for and one that will protect the little businessman from whose office or whose farm most of them left when they went over there to fight. I think I understand this philosophy of some of those in high official places in the O. P. A. I will tell you why. A few months back when I had a bill before the Committee on Agriculture in the House in connection with restrictions on wheat acreage, I had a farmer here, a wheat farmer from Oklahoma, who testified—and I wish I had the time to tell the story that he told before our commit-

tee—he testified as to what certain things and certain practices were doing to the small farmer. When his testimony was over, a high department official from the Department of Agriculture was there, I said to him after the hearing was over, "What do you think about the testimony of this farmer based upon actual facts and not theory?" He said, "Oh, that's all right, that's the old philosophy." "But" he said, "If I had my way about it I would not let anyone produce wheat in this country who could not farm at least a thousand acres of wheat. It is not economically sound and in the interest of the consumer to permit wheat to be produced by small farmers; it costs too much to produce it."

This is the same philosophy that is running through the administration of this price-control bill, that the big packers and the big processors can do it more cheaply. They forget and overlook the little men in this country who have been the bulwark of this country and who, if we are to preserve fundamentals in this country, must also be saved. I think this amendment will help. And I am going to support.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, this amendment deals with the right of people who operate small businesses. To further illustrate some of the things that have taken place under the O. P. A., I am going to spend a moment discussing the little fellow who operates automobile tire shops. For instance, I am informed the orders of O. P. A. provide that tire dealers pay to the manufacturer 8.9 percent of the list or billing price to cover the manufacturer's increased cost of producing tires.

In the case of the popular 6.00 by 16 size, the billing price is \$14.75. The retailer pays \$1.30 additional which he in turn collects from the consumer. He becomes a collecting agent for the manufacturer and this has never been a practice in any industry in America. By reducing the retail price from \$17.11 to \$16.05, dealers were not protected on inventory and many have taken losses of several hundred dollars—losses they could ill afford.

In the case of truck tires, which is critical today, both the retailers and the trucking industry are placed at a disadvantage. If motor transportation breaks down we will see much needed supplies at depots all over the country while soldiers on the beachheads of France are crying for ammunition.

In truck tires, O. P. A. has permitted manufacturers to add 6½ percent to the ceiling price, which results in an increase of about 11 percent to the retailer. He cannot sell above ceiling so must absorb this cost. Where he formerly made about 30 percent gross profit he is reduced by governmental edict to about 19 percent and on this he cannot stay in business.

Truck operators, such as fleet owners, who have enjoyed a discount now find their prices raised so that, with reduced tire mileage, they find the cost per mile of tires greatly increased. We see here definitely who pays for preventing inflation.

I say that it is the duty of Congress to protect American enterprise by writing laws so they cannot be misinterpreted or evaded. I say that the producers and retailers must be protected or we will see chaos ahead with millions of Americans who have a right to select their home sites, to establish themselves in business, to provide for their own future, depending on the Government for maintenance or becoming wards of charity.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Chairman, I would like to address the members of the committee reporting the bill. Perhaps the gentleman from Michigan [Mr. CRAWFORD] can answer this for me. During the remarks of the gentleman from Michigan [Mr. WOLCOTT], in commenting on the pending amendment, he made the statement that the amendment sought to deal with supporting prices, and intimated that the bill deals with ceilings rather than with floors of prices. Can the gentleman tell me whether there is anything in the bill amending the present statutes that directly or indirectly supports prices, other than references to section 8 of the present law which deals with loans by the Commodity Credit Corporation?

Mr. CRAWFORD. I do not know of any. Of course, we have an illustration in the case of eggs. The egg market broke so terrifically that the Government, through other agencies, came in and started absorbing the egg crop in excess of consumer demand, and today eggs can be purchased by fertilizer manufacturers for \$30 per carload.

Mr. CASE. Does this bill do anything about that?

Mr. CRAWFORD. I do not think it does, because the support price comes in through the operation of the Commodity Credit Corporation, or some other Government agency, instead of through regulation established by the Office of Price Administration.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

Mr. AUGUST H. ANDRESEN. The consumers receive the benefit of the lower egg prices, because the producers were producing in abundance in this country.

Mr. CASE. Is there any way the gentleman can suggest whereby we could operate under section 8 and extend the provisions of that to secure equity?

Mr. CRAWFORD. The gentleman has submitted a legal question. It is my guess that the smart lawyers on this floor could design an amendment which would greatly alleviate the situation against which we complain.

Mr. CASE. What is the benefit or value of the amendment proposed, where the word "may" is to be changed to "shall" with reference to what the Presi-

dent can do or should do with respect to certain prices, wages, and so forth?

Mr. CRAWFORD. If you will take the original law and analyze it very carefully, in the most scrutinizing manner possible for human ingenuity to do, you will find there was woven into the original law many little niceties which enable the President to do practically anything he wants to do with American industry. When you get down to a keen analysis of it you will find the committee recommending changes here and there, as amendments will be offered, to correct some of the difficulties in the original law.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MONRONEY. Mr. Chairman, there has been so much talk on this amendment being the little businessman's amendment that I have examined and reexamined this amendment three times, in order to see if, perchance, I overlooked some language in the amendment. I have not done so.

This is no more a little businessman's amendment than most of the price-wrecking practices and amendments that were brought before our committee under the guise of widows and orphans and small businessmen and farmers.

Let us see what this amendment does. It forces a fair and equitable margin of profit on each product and each commodity. What is a fair and equitable profit? The amendment goes back to a normal pre-war period. It is not spelled out or defined. Perhaps it goes back to 1920, 1924, 1929, but no one can tell. Then it says that in defining a normal pre-war profit you must make a satisfactory percentage on the individual item and also—a double-barrel shot—and also a normal percentage return on your capital.

What more could General Foods want than that? In other words, every one of their prices would be subject to being unregulated until they have made their normal percentage of profit on their capital stock. Armour or any other food processor could come in under this amendment and literally wreck the price ceilings on food because this provides that each product shall be sold at an individual profit. You might have satisfactory percentage profits on 90 percent of your products and maybe be in the 95 percent excess-profits bracket and yet to make a normal profit on each item he manufactured he would have to raise those ceilings to provide additional and excess profits.

I say to you, Mr. Chairman, this is another example—and I know the author of this amendment did not intend it to work so—but it is an example absolutely of what hastily and ill-conceived amendments can do. It has no effect in helping the little man but would help the big man instead.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

All time has expired. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. FOLGER) there were—ayes 67, noes 86.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. FOLGER and Mr. SPENCE.

The committee again divided; and the tellers reported that there were—ayes 91, noes 177.

So the amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Strike out all after section 2 and insert the following:

"Strike out all of section 2 and insert the following:

"PRICES AND MARKET PRACTICES

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 301) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this act, but nothing herein shall be construed to give the Administrator the right hereafter to fix a price on any commodity unless there is evidence that the price of such commodity has risen or is threatening to rise. In establishing any maximum price, the Administrator shall adopt the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then the prices prevailing during the nearest 2-week period, but in no event prior to October 1, 1940, in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments in such prices by giving effect to general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers as a result of the sale of a commodity or commodities in question subsequent to the date upon which such prices shall be established: *Provided*, That this act shall not be construed or interpreted in such a way as to give the Administrator the right to fix profits where such action has no relation to price control. No common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this sub-

section, the Administrator shall advise and consult with representative members of the industry which will be affected by such regulation or order and shall give due consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional, or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall, from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within 5 days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than 60 days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"(b) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and shall provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act: *Provided*, That the Administrator shall, in all cases where it is shown that a business is being operated efficiently, that the capital investment of such business reflects no inflated values, and that a regulation, order, or price schedule has caused such business to be operated at a loss, adjust such price schedule, order or regulation within a reasonable time as to that business, or give such other or further relief as may be authorized by law: *Provided further*, That whenever the Office of Price Administration shall raise the ceiling price charged by a manufacturer, producer, or wholesale distributor for a commodity, a comparable increase shall be immediately granted by the Administrator to subsequent dealers or sellers of such commodity. Any regulation or order under this section which establishes a maximum price may provide for a maximum price below the price or prices prevailing for the commodity or commodities at the time of the issuance of such regulation or order.

"(c) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, within the limitations of subsection (g) of this section, regulate or prohibit speculative or manipulative practices (including practices relating to changes in the form or quality) or hoarding in connection with any commodity which in his judgment are equivalent to or are likely to result in price increases inconsistent with the purposes of this Act.

"(d) Whenever the Administrator determines that the maximum necessary produc-

tion of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"(e) No power conferred by this act shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this act with respect to such commodity.

"(f) Regulations, orders, and requirements under this act may contain such provisions as the Administrator deems necessary to prevent circumvention or evasion thereof.

"(g) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, unless upon an affirmative showing by the Administrator it is established that such changes are necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.

"(h) Nothing in this act shall be construed (1) as authorizing the elimination

or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another government agency.

"(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

"(j) The Price Administrator shall have 90 days from the enactment of this act within which to comply with its requirements, and during such period all orders, regulations, price schedules, and requirements heretofore promulgated by the Administrator shall remain in full force and effect until changed in accordance with the terms of this act."

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, if the Members of the House will listen very carefully for a moment or two it will save a lot of time on the debate of this amendment which I have offered.

If you will refer to section 2 of H. R. 4941, the bill before us, you will find that section 2 of this bill strikes out section 2 of the Emergency Price Control Act and substitutes the bill's language therefor.

The amendment which I have offered will be found in full on pages 3 to 8, inclusive, with the exception of the last four or five lines, subparagraph (j), in the Smith report, copies of which are available here on the desk. You will notice in reading the Smith amendment that the law as it now stands is altered by my amendment by adding certain new material in italics and striking out certain material through which a line has been drawn. The changes are so numerous that it is utterly impossible for me to cover all of them within the 5 minutes allowed me to discuss these amendments.

The changes herein recommended go to the very heart of a great many of the problems which industry in this country must deal with and which the administrators of the O. P. A. have to deal with. There are certain provisions in the bill reported by our committee which I would very much like to see adopted; yet there are certain provisions in the Smith amendment, which I have offered, which I would like very much to see put into the law. As I said when we were debating the rule, I want the House to understand thoroughly, as best legislators can understand, exactly the policies that are being followed by O. P. A. in handling the industry of this country. I want the House to understand what the enterprises, the managers, the owners, and trustees of American industry are up against; what is happening to many of the units of industry under this procedure, and, having understood those things, either make some sacrifices in connection with the

benefits we now enjoy under O. P. A., in order to pick up benefits we are losing by reason of the policies followed by O. P. A. in setting price ceilings, determining costs, fixing margins of profit, and so forth, closing out some businesses, for instance, or we amend the law, correct those situation, and lose some of the O. P. A. benefits we may now be getting.

I wanted these amendments brought before the House so that we can decide which of the many of them we want; decide on those we do not want, and get them out of the way. In this manner I have brought the entire Smith amendment before the House.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. If this amendment should be adopted, I take it that the gentleman will offer a new title to the bill that will cover rents and renting practices.

Mr. CRAWFORD. Yes. If you will look at page 3 of the Smith report, you will find that the word "rents" and the words "and renting" have been stricken, and then you will find in the Smith report where those have been brought in under title II on page 10 of the report. It is my understanding that amendments will be offered to take care of the rent and renting provisions of the present law, and amendments thereto, should the present amendment be adopted.

I do not care to take the time of the House any further in discussing this, because I think that everyone understands exactly what the proposition before us is. As we go along under the 5-minute rule, we can ferret out the various angles that are involved in this proposal and come to some conclusion as to what we want to do about the whole matter.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. The Smith amendments to which the gentleman referred are germane to the bill, are they not?

Mr. CRAWFORD. I understand that every one of them have been made germane by reason of the rule we adopted the other day.

Mr. MICHENER. And that the type of rule that was adopted the other day does not in any way prevent the offering of these amendments to which the gentleman has referred.

Mr. CRAWFORD. It is my understanding—and I would like to trade ideas with the gentleman from Michigan on this—that if the Members desire to do so, they can take each amendment as set forth and offer it to our present bill, in the event this particular amendment is voted down.

Mr. MICHENER. One reason I asked the question was this: The gentleman offered this as an amendment.

Mr. CRAWFORD. That is right.

Mr. MICHENER. And no objection was made to it.

Mr. CRAWFORD. That is right.

Mr. MICHENER. Therefore, if this amendment is voted on, it would be too late now, even though there had been an

objection as to germaneness, which there was not.

Mr. BROWN of Ohio. If the gentleman will yield further, as I read the title of this particular section it would be germane, inasmuch as it applies only to prices and not the practices and not to rationing rules.

Mr. CRAWFORD. That is correct.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. VOORHIS of California. Can the gentleman tell me how much of the Smith bill his amendment comprises?

Mr. CRAWFORD. It comprises section 2 only.

Mr. VOORHIS of California. Of the Smith bill?

Mr. CRAWFORD. That is right.

Mr. VOORHIS of California. I thank the gentleman.

Mr. CRAWFORD. If the gentleman will go to page 8 of the Smith report he will find where section 3 of the Smith bill begins.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is quite impossible to discuss this entire amendment, nor shall I attempt to do so. I would like to preface my remarks by saying that I am a member of the Smith committee; that I do not believe that the amendments brought forth by that committee or by its Chairman have been stealthy or underhanded in any way. I would like to make the criticism, as a member of the committee, that I do not think those amendments were exposed to anything like a sufficient extent to opposition testimony by people closely in touch with and in support of the operation of price control. I think the Smith committee amendments resulted far too much from the testimony of people who had complaints to offer. But I certainly think they are offered in good faith.

It happens that I, along with the gentleman from New York [Mr. DELANEY], filed a minority report to the report of the Smith committee in which we agreed with certain provisions that were advanced and disagreed with a good many others. I want to say that my general viewpoint is approximately as follows: I think that any attempt to legislate on behalf of special interests in this bill, or any amendment which would cause a general increase in price levels as to any commodities, is a dangerous move, but that I believe we can do a better job than has been done heretofore of making it possible for citizens of this Nation to obtain redress with regard to rules and regulations of the O. P. A. which might be held invalid under the statute if subject to some carefully devised review method. I have read carefully the proposal along this line in the Banking and Currency Committee bill and am inclined to believe they are good provisions, though I hope to get some additional information regarding them before that point in the bill is reached. It is in this field of effective but not crippling court review that I believe the main effort of this House should be directed.

With regard to the amendment offered by the gentleman from Michigan, there are two points that I want to make. In the first place, this amendment contains the following language:

Provided, That the Administrator shall, in all cases where it is shown that a business is being operated efficiently, that the capital investment of such business reflects no inflated values, and that a regulation, order, or price schedule has caused such business to be operated at a loss, adjust such price schedule, order, or regulation within a reasonable time as to that business, or give such other or further relief as may be authorized by law.

In other words, as to any business that does not have an inflated capital or that can show that it is operating efficiently, the Administrator is compelled under the language of this amendment to adjust his price order as to that business. Either he has to adjust his entire price ceiling or he has to give a special price to that business with obviously chaotic results in the trade or he has to provide for the payment of some kind of subsidy payment to that business.

In my judgment, the only way you can have effective price control would be if you adopt the third method. In other words, if you need the production of a certain business and cannot get it under an equitable price ceiling which gives an ample margin to all other operators in that business, I do not believe the answer is to raise the ceiling so as to include that marginal producer in every single case and guarantee him a profit. What you have to do in this instance is to provide a subsidy to that marginal producer. I do not believe that could be done under the language of this bill, not unless it was directly authorized by Congress. Therefore, I think this is a dangerous provision that would result necessarily in increasing price ceilings generally.

The second thing I want to speak about is this. The amendment states:

That whenever the Office of Price Administration shall raise the ceiling price charged by a manufacturer, producer, or wholesale distributor for a commodity, a comparable increase shall be immediately granted by the Administrator to subsequent dealers or sellers of such commodity.

I know what that is for. I think the purpose is worthy. But may I refer back to last fall, when I myself and many other Members of this House went through long weeks of earnest effort to try to get a revision of a pricing order on citrus fruit. Why? Because under that order issued by the O. P. A. middlemen's margins were unconscionable. Middlemen were making as much as \$500 to \$1,000 of margin a car on citrus fruits. The result of our efforts was that O. P. A. changed that order, reduced the ceiling prices to consumers, increased the price to the grower of citrus fruit, and came out even, because it reduced the margins of middlemen to life size.

Under this amendment, if I understand it at all, they could not have done that. They would have had to have added to those exorbitant middlemen's margins every dime that they allowed the grower of citrus fruit in addition to what he was then getting, which was less than

parity. So I consider that portion of this amendment also is not well advised, and I do not believe that as to those two particular items the House would want to adopt it.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it was stated in the beginning of the debates that in this bill we have thrown certain safeguards around persons, some of which safeguards do not appear in the amendment which is offered, which is a part of the so-called Smith report. For example, we have provided in our section 2 that no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. There is no such protection as that in the amendment which has been offered here, and that is a very important amendment. It prevents the administrator from establishing uniform accounting systems regardless of the ability of the business or industry to conform to them, either because of ignorance of bookkeeping methods or because they do not have the capital or the money to employ accountants to put into effect a standardized system of cost practices and accountancy.

We also provide, in the committee amendment—and it is doubtful whether there is any comparable provision in the amendment which was just offered—that the Administrator shall provide for individual adjustments in those classes of cases where the rent on a maximum rent date for any housing accommodation is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense rental area for comparable housing accommodations.

I do know that there is no comparable language in section 2 of the Smith report which has been offered here as a substitute in respect to the language contained on page 9 of the bill starting with line 15 and ending in line 1 on page 10, which, to my mind, is a very important contribution to the stabilization of our economy and the protection of the taxpayers.

It is very questionable whether we do not by the so-called Smith amendment authorize the Administrator to continue to regulate rents even though the reasons for his first having regulated the rents have disappeared and become completely dissipated. We provide for that in the House bill.

I think, Mr. Chairman, that the House committee has done a very efficient job in respect to section 2. If we adopt the amendment which has just been offered, of course we shall have to rewrite the entire bill in order to conform to the changes in form provided for in the Smith amendment, which has no relationship whatsoever to the purpose of the bill, changes that are purely administrative and that have to do only with the adjective law and not the substantive law.

Mr. Chairman, I hope that the committee will defeat the amendment.

Mr. PETERSON of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to call your attention to subparagraph (i) on page 11. I do this because the Smith amendment as proposed has the same provision with reference to fisheries. The fisheries produce more pounds of food per man than any other food-producing industry. They have to fight the weather and the elements and what has been aptly termed "many unpredictable variables." It is rather important that we go into their problems. We have for some time been making a study of the different problems with reference to fisheries, and they present some of the most difficult problems with which the O. P. A. have to deal.

I call the attention of the chairman of the committee to the fact that on page 11, subparagraph (i) provides that:

No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

Mr. Bowles in a letter and the O. P. A. in sworn testimony before the Subcommittee on Fisheries testified that:

In view of the desirability of maintaining normal relationships between the prices for different species, the weighted average price for each species in the year 1942 represents, in the judgment of the Administrator, the closest practicable approximation to the prices prevailing on September 15, 1942.

So I feel that in subparagraph (i) on page 11 the year 1941 should be changed to the year 1942. I am not proposing this as an amendment at the present time, I am calling it to the attention of the committee because I feel sure that the committee does not want to provide for a lower price at the present time.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. SPENCE. Under the provision of the law the Administrator has a right to take the nearest two-week period, from October 1 to 15, if that is not truly representative of the price that should be made. I understand that the fish do not run in certain seasons.

Mr. PETERSON of Florida. There are certain seasons that the certain species of fish do not run.

Mr. SPENCE. And if that was the nearest period in which there would be a truly representative price, and the market opened then, there is no doubt under this bill he has a right to select that period.

Mr. PETERSON of Florida. Of course a given date is hard to work out, but I want to be sure there would be no authorization to roll back the prices. I am sure the chairman of the committee does not want a roll-back of prices to 1941; I think that is correct.

Mr. SPENCE. I would like to see the industry get a price which is truly representative of what should prevail in the year 1941, and if there was no representative price at that time which truly represents what the condition should be as to a fair price for the commodity, the nearest 2-week period can be selected even though it would go into 1942. I think the Administrator is per-

fectly within his rights when he selected a period in 1942 if that was the nearest period.

Mr. PETERSON of Florida. And there would be no rolling back to 1941, even, as I understand. Is that correct?

Mr. SPENCE. The committee has no such intention, nor is it expressed in the bill, to roll it back at all.

Mr. PETERSON of Florida. I was afraid there might be a misunderstanding as to the rolling back of prices to 1941 or 1942. I thank the gentleman very much.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Virginia. As has been explained by the gentleman from Michigan [Mr. CRAWFORD] this whole thing is explained in the so-called Smith committee's intermediate report. I regret very much that the time of the gentleman from Michigan [Mr. Wolcott] has been so occupied that he has not had the opportunity to familiarize himself with what is in the so-called Smith amendments. I wish to correct the statement made by the gentleman from Michigan [Mr. Wolcott] in which he said that this amendment offered by the gentleman from Michigan [Mr. CRAWFORD] did not make provision for the cessation of rent control where it was no longer necessary in an area. If the gentleman from Michigan will now inform himself as to what is in the Smith committee bill which we endeavored to get the committee to consider, he will find that the provision in his bill with regard to the cessation of rent control is taken verbatim from the bill offered by the Smith committee. The second part is that the gentleman from Michigan says we give no authority in our recommendations for local rent adjustments and that such authority is given in the committee bill. If the gentleman will again inform himself as to what is contained in the recommendations of the Smith committee he will find that that language that is used in the bill of the Committee on Banking and Currency is identical with the language which we recommend and which is in our bill. This amendment offered by the gentleman from Michigan [Mr. CRAWFORD] strikes out the rent provisions in this section. A great many of you have been interested in getting some relief for your constituents from the abuses of authority by the rent control of O. P. A. Our rent-control amendment is going to follow this amendment. If you adopt this amendment we are going to then present the rent-control amendment and there is going to be an opportunity for the Members of the House to do something for their constituents in order to obtain the relief that they have been crying for for so long a time. I hope for that reason, if for no other reason, you will adopt this amendment. I have asked for this additional time in order to explain a little more in detail than the preceding speakers have done,

just what is the change in this amendment from existing law. First, this prohibits the Administrator from making any adjustments in prices or lowering prices of a commodity where there has never been any rise in the price of that commodity and where the price of that commodity has never threatened to rise and does not threaten to rise. That, in effect, is what we said in the original law.

But the O. P. A. has undertaken to say that even though there has never been a rise in the price of a commodity and there is no threat to rise, they have a right to lower the price of that commodity. We have also put in an amendment which prohibits them, in fixing prices, from taking a base date prior to October 1940. The reason for that is, we require them to take a certain base date, or the 2 weeks nearest to that which was representative. The O. P. A., in utter disregard of that provision, has gone back in many instances and required people to produce their books and undertake to show what the history of their business was between the years 1936 and 1939, and upon that basis, created and invented by the O. P. A., they have undertaken to fix prices. We say in fixing prices they shall not go back of October 1940. That is all that that amendment means.

Then we have a general provision that where there have been changes in the cost of manufacture and the cost of raw products, and so forth, the Administrator is put under the duty to investigate that and make reasonable and proper adjustments. We do not undertake to lay down any hard and fast rule for him, but we do require him to give consideration to these complaints and to make appropriate adjustments. We further provide that he shall not fix prices on a basis undertaking to control the profit system of the country, because that was not what we originally intended to do.

On page 6 of the report, which I know the Members are all interested in, with reference to these hardship cases, we have undertaken to say there, and I think the gentleman from North Carolina [Mr. FOLGER] whose amendment was just defeated, should listen to this, because I think it has some bearing on his case, we undertake to say where a business has historically been sound and is not over-capitalized and has always made a profit in the past and by reason of some regulation, such as was mentioned a while ago, is required to operate at a loss, then that must be adjusted by the Administrator.

We have a further provision that where the Administrator has fixed a ceiling price of a manufactured article and then another ceiling price on the retail price of that article and raises the ceiling to the manufacturer at his level, he must also correspondingly raise it to the retailer.

I think that covers substantially the changes that are made there.

If the Members want the rent-control amendment which is going to follow right after this, then it is very desirable that they should support this amendment so that the two will be coordinated.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CRAWFORD. I think the gentleman from Virginia should point out to the House that on pages 36 to 50, inclusive, of the report of the Smith committee, there is found the so-called Smith bill, which sets this up in sequence without the comments being interjected, and practically all of which, as I understand, is germane under the rule under which we are now considering this bill.

Mr. SMITH of Virginia. Yes; I so understand.

Mr. PATMAN. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. PATMAN. The gentleman condemned O. P. A. for violating the law that Congress enacted which said that prices should not be fixed unless prices had risen or there was a threat that they would rise. For the information of the gentleman, the Stabilization Act changed that. That was the object of one part of the Stabilization Act. We made a mistake when we tried to select commodities like the gentleman says. We tried that once and failed, and we passed the Stabilization Act changing it. Now, the gentleman wants to go back to the old law.

Mr. SMITH of Virginia. Oh, no. I think the gentleman will find he is mistaken. But I do object to the statement that I condemn the O. P. A. I do not condemn them. I sympathize with them. But, they are doing a lot of things to the people with whom I also sympathize, and I think we should correct that.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words and I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. PATMAN. Mr. Chairman, I have a very high regard for the gentleman from Virginia [Mr. SMITH]. He and I came here, I think, at the same time, and have served on committees together. I know he is sincere and conscientious, but even conscientious and sincere, still a man can be mistaken. His committee has done a very worthy, commendable, and constructive work by taking the two price control and stabilization acts and conducting hearings on them. Then by the time the Committee on Banking and Currency, which has jurisdiction over the subject matter, met, the Smith committee was there with a bill for us to O. K. and bring to the House. I will admit it was very helpful to us and we appreciate it, but it was not within their power or jurisdiction to consider the continuation of this act. It was wholly without their power and jurisdiction. Now they want to take what I will call a half-baked measure—and it is a half-baked measure—and to show you that Judge SMITH is mistaken, as he very seldom is, but in this particular case he is—

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. PATMAN. Not just now. I desire to respectfully invite your attention to the fact that the gentleman is mistaken about the fundamental policy involved in the enactment of this legislation.

When the first price control act was passed and became law January 30, 1942, it was our theory and philosophy at that time that we should pick out certain prices that might rise and have the Administrator slap a price ceiling on them. It sounded very good. Many of us fell for it. We liked it. A lot of Members wanted an over-all price-control bill then. But they failed to get their wishes carried by a majority vote in this House. But we went ahead and tried the selective method. Very much to our surprise, in a short time we discovered that that method would not work. Then there was a demand that we have an over-all bill that would include everything—prices, wages, and all commodities that go to make up the cost of living. So we changed the law that Judge SMITH is saying should prevail now. His views have already been repealed. They have been repealed because practice and experience demonstrated to us they would not work. Now he is going back to the old law.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I hope the gentleman will not insist now because I only have a limited time.

Upon his method that we first selected, which failed, Judge SMITH wants us to go back to that method that failed. Prices rose then and they rose rapidly under the old Smith plan. We could not control them. We tried to but failed. But when we enacted the Stabilization Act of October 2, 1942, and the hold-the-line order was issued to hold that line, for 12 solid months the cost of living has not gone up, and your dollar today and your bonds today are worth just as much as they were 12 months ago. That is a record that is unsurpassed in any country on earth. It is a record of which we should be proud. That was made possible because we repealed Judge SMITH's views. Now he wants to go back to the method that failed. Give us the method that succeeds and let us hold it.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. PATMAN. Certainly I yield to the gentleman.

Mr. SMITH of Virginia. In fairness to the House I ask the gentleman to stop talking about me and get back to the law he is talking about and show the House where the views that I propose in this bill have ever been changed or how they were ever different before.

Mr. PATMAN. The gentleman himself referred to the so-called Smith bill. He said it a dozen times. So if he can say, The Smith bill, as modest as he is, I can certainly refer to it as the Smith bill also.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Not now.

To show you how scuttling this bill is, the fact that he does not have over-all information about this whole stabilization and price-control program should condemn his proposal, because he is fundamentally wrong. When he starts out fundamentally wrong you cannot afford to accept what has been proposed here.

Let me invite your attention to the fact that Judge SMITH came before our committee and we considered his amendments and we actually accepted a few of them. A few of them are written into this bill that is now proposed by the committee. But some of them were scuttling. They were emasculating, and our committee was of the opinion that the Price Control Act would be destroyed if we adopted the Smith bill. For that reason we turned it down.

May I invite your attention to one or two specific cases. In the beginning, 2 (a) you will notice:

So far as practicable, in establishing any maximum price the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941.

That is a very important statement. The Smith committee changed that wording. They left out "so far as practicable," which our committee decided was absolutely necessary and essential to adequate price control and stabilization and to give everybody a square deal, and to eliminate the hardship cases. That part was left out by the Smith committee.

So the Smith committee says "In establishing any maximum price the Administrator shall adopt the prices prevailing between October 1 and 15, 1941."

Is there any Member of this House who will be satisfied with that? That is not saying, "Consider prices and adjust them so far as practicable to do it in the interest of stabilization and security for the businessmen and the producer and the consumer." It says you must do it; just this 2 weeks' period. Do you know what the price of things were that you are interested in? Of course, you do not. You do not know how far this thing goes. I do not know how far it goes. This is no way to legislate on the floor of the House. Our committee, under the chairmanship of the distinguished gentleman from Kentucky [Mr. SPENCE], spent more than 40 days, morning and afternoon, listening to witnesses by the hour. Our committee was charged with the responsibility of writing this legislation. We considered it from that viewpoint. We knew the over-all picture, because in the preceding year we considered this bill for 3 months. We initiated this legislation. We have lived with it for years. We know what is behind it. I doubt that the Smith committee, as diligent as they were and as anxious as they were to be helpful, were convinced of the fundamental policies. Otherwise the chairman of that committee would not be so substantially wrong about the fundamental policy engaged in this legislation.

Now, Mr. Chairman, there is another amendment in the first part that the gentleman from Michigan [Mr. CRAWFORD]

offered that we actually adopted. That is saying that no control should be made over profits unless necessary to stop inflation. Such action has no relationship to price control. We thought that was a good amendment, and out of the number of amendments they suggested we accepted two or three, the good ones. But some of them were devastating, they were scuttling, they were emasculating, they would have destroyed price control; and we turned them down. That is what you wanted us to do, because we were charged with the responsibility. That committee is not charged with the responsibility. Therefore a lot of people who would be interested in this matter did not appear before them because that committee did not have the power, the jurisdiction, and the authority to act upon the subject matter of their investigation. The overall picture is the one we must consider. We cannot afford to scuttle this law; you do not want the responsibility for scuttling it. You cannot write into this law language to administer it after it is enacted; you might just as well forget that; you must leave it to administrators. You cannot tell them exactly what to do. There are 8,000,000 different prices involved—8,000,000 different prices. There are 3,000,000 businessmen involved. There are 135,000,000 people and 35,000,000 families; and we have saved \$65,000,000,000 on the war cost alone the first 52 months of this war. So let us hold the line like it is.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not certain I shall vote for the Smith amendment, because there are a couple of amendments including the one about gross inequities in the committee bill that I like; but I should like to point out to the House, because I think it is very important, that the gentleman from Texas [Mr. PATMAN] is himself fundamentally wrong when he accuses the gentleman from Virginia [Mr. SMITH] of being fundamentally wrong about the way the selective flexible price system has worked. The gentleman from Texas [Mr. PATMAN] says it has failed. It never was tried. When Mr. Leon Henderson, the original Administrator, came before our committee, he asked for what he called a selective price system. He had all the power necessary to have his hold-the-line, strait-jacket system except the power to hold down wages. That is all that repealing of the first bill meant. You repealed the theory that you could control prices without controlling wages. We knew at the time the President would come to it. The administration brought in a bill. The bill said that wages would be exempted, but also from the administration came the very wise gentleman, Mr. Baruch, advocating the strait-jacket system, including wages. The gentleman from Oklahoma [Mr. MONRONEY] and the gentleman from Tennessee [Mr. GORE], both friends of the administration, led the fight on the floor, you remember, to indoctrinate us with the idea that eventually we would have to have wage control and the straight-across

price control system while on the radio Mr. Henderson, the then Administrator, and various administration leaders, including some of the administration women, were telling labor that there was a move in Congress—we did not know where although we knew they would come to it, we did not see anything—that there was a move in Congress which they were opposing to put in the control of wages which they said violated the constitutional amendment prohibiting human bondage. Eventually, of course, as wages rose prices rose and there was what looked like inflation in this country. Then they came in with their dictatorship, the strait-jacket bill, demanding that we have the strait-jacket control because they said the selective system had failed. Those of us on the committee who were realistic, those of us in the House who were realistic, knew that all that had failed was the idea that you could control prices and costs without controlling wages. I would not mention that, I do not want to embarrass anybody, except for this one thing: Selective price control is the logical control, it is the kind of control which if this war drags on and becomes more difficult we are going to have to have in this country; the administration is going to have to come to it and I do not like to see them hop-skotch around telling you 1 month the thing will not work and coming in the next month demanding it. I like to see this House look at facts reach correct conclusions, and lead the administration.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on a time limit on debate on this amendment?

I ask unanimous consent that all debate on this amendment close in 20 minutes, reserving 3 minutes to myself in which to conclude.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. DIRKSEN] is recognized for 5 minutes.

[Mr. DIRKSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the pending amendment is probably one of the most important questions that we will have to pass on in the consideration of this bill. With reference to the argument just presented by my distinguished friend, the gentleman from Illinois [Mr. DIRKSEN] in my opinion, the bill reported by the committee gives power from an administrative angle to meet most of the observations that he made.

We must keep in mind that the committee has worked hard, that the bill now before us is the result of several weeks of hard work by the members of the Committee on Banking and Currency, and that this is the result of the labor of the 25 members of that committee, Republicans and Democrats alike. The amendment offered by the gentleman from Michigan [Mr. CRAWFORD] is one

that takes away from the Administrator of this law certain powers and certain opportunities or means to effectively control prices in the interest of the people of our country and in the interest of the Nation.

The gentleman from Michigan [Mr. WOLCOTT] well presented the case in his very constructive observations made earlier this afternoon. As you and I remember, he stated that the Smith amendment, which the gentleman from Michigan [Mr. CRAWFORD] has offered, leaves out of it certain important features contained in section 2 of the bill reported by the committee. The gentlewoman from Illinois [Miss SUMNER] indicated an uncertainty as to whether or not she would support the amendment.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The Administrator himself has said that he would construe this provision of the Smith amendment which provides that in cases of prices about to rise an adjustment be made, that this would enable him to set prices on everything because he feels that the whole economy is so connected with inflation.

Mr. McCORMACK. I was referring to the remarks made by the gentlewoman from Illinois so that we might have the benefit of her testimony in the Committee of the Whole as to her uncertainty with reference to whether or not she is going to support the pending amendment.

There is no question in my mind but what the committee has done a very fine job. There are some provisions of the bill that have been reported that I personally do not like, but I am going to support the committee.

Mr. THOMAS of New Jersey. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. Is the distinguished majority leader trying to make the point that we should not amend any bill on the floor of this House, that we should always follow the committee?

Mr. McCORMACK. Of course not.

Mr. THOMAS of New Jersey. I cannot reconcile the gentleman's argument with what has been going on here.

Mr. McCORMACK. Of course, there are many of us who have the same opinion with reference to what the gentleman thinks. It is hard for me to reconcile them myself, and I do not want that misconstrued.

Mr. THOMAS of New Jersey. I would like to understand just what the gentleman means. What does he mean?

Mr. McCORMACK. Just what the gentleman meant when he made reference to my remarks.

Mr. THOMAS of New Jersey. The gentleman has been making an argument here that we should follow the committee.

Mr. McCORMACK. Oh, no.

Mr. THOMAS of New Jersey. That we should follow the committee almost blindly. He did not use the word "blindly" but that is what I gathered.

Mr. McCORMACK. I am not responsible for the gentleman's interpretation of what I say. The import of what I am saying is that before we vote for an amendment that sharply or materially alters a bill reported out of the committee we should give serious consideration to the fact that this committee labored for several weeks and that the bill reported is the result of the efforts of all the members of the committee and represents in many respects a compromise of conflicting views. Before we vote for an amendment that will strike out an important section of this bill and substitute another section by the amendment offered by the gentleman from Michigan, the burden of proof should be upon the proponents of the amendment to satisfy us that the committee was in error. This action should be taken only after considerable hesitancy and care. I hope the pending amendment will be defeated.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. VORYS of Ohio. Mr. Chairman, would it be possible to make a parliamentary inquiry at this time?

The CHAIRMAN. Not unless the gentleman from Kentucky yields.

Mr. VORYS of Ohio. Would the gentleman permit a parliamentary inquiry at this time?

Mr. SPENCE. Mr. Chairman, is that taken out of my time?

The CHAIRMAN. It is.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. If the present amendment offered by the gentleman from Michigan is voted down, would that bar the presentation of portions of the same subject matter so that the Smith amendments could be considered as amendments to the individual sections, or not?

Mr. SPENCE. The Chairman will have to answer that. I refuse to yield further.

Mr. Chairman, this bill has been reported after 40 days of hearings and after long executive sessions. There seems to be a constant contest between your regular legislative committee charged with the duty of reporting this bill and the Smith committee.

I recognize the high character and standing of the members of the Smith committee; I think they have done a good job, but under the ordinary precedents and practices of the House you proceed in certain ways. You have charged the Committee on Banking and Currency with the duty of bringing in this bill, which they have reported. There is nothing sacrosanct about our committee. I do not claim that we are superior to other committees in the House, but I do claim for them an integrity and honesty of purpose and a splendid knowledge of the subject within the jurisdiction of the committee. Three times they have investigated these matters; the original price control bill, the Stabilization Act, and then this bill.

I do not say that the members should not be given an opportunity to offer

amendments. What has been our conduct in this matter? We went before the Committee on Rules and we asked for a rule that would make every one of these amendments of the Smith Committee in order, save one. We did not ask for a gag rule. We thought we brought in a bill that would stand the searchlight of investigation. We wanted you to have an opportunity to offer amendments if you thought they would be of benefit.

But I want to say now that you would not have for a moment considered this long and involved amendment if it had not been reported by the Smith committee. There has been a constant effort to supplant the Banking and Currency Committee with the Smith committee in this consideration. How many of the gentlemen on either side of the House know just what this amendment would do? It is involved, it is complicated, and it strikes out 12 pages of the bill we brought in and substitutes just about that much in its stead.

If you are going to follow the ordinary precedents and practices of the House, which time and experience have shown to be wise, you will not supplant your legislative committees with investigational committees, but you will rely, at least, in the introduction and consideration of the bill, on the committees charged with the duty of performing that function. We considered the Smith bill. The Smith bill was introduced before we reported this bill. It was before our committee. We considered the provisions. This is one we rejected.

In the consideration of these two measures I am sure the only question that is before you is whether or not you are going to adopt the provisions of the Smith report, or the bill as reported by the regular legislative committee, and I certainly think you ought to give greater consideration to your legislative committee charged with that duty.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

Mr. MASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MASON. The Chairman recognized four different Members for 5 minutes each, making the 20 minutes that was allotted. One Member only used 2½ minutes and turned back the other 2½ minutes.

My parliamentary inquiry is: Who gets the other two and a half minutes before all time has expired?

The CHAIRMAN. No one has claimed it, so it has expired. All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 63, noes 121.

So the amendment was rejected.

Mr. GIFFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD: Page 11, strike out lines 8, 9, and 10, and insert "Fresh fishery commodities are hereby de-

clared not subject to regulations of price control acts as amended."

Mr. GIFFORD. Mr. Chairman, my amendment is very appropriate, for today is Friday. If you will give attention, I should be able to have your support.

The committee worked hard for 40 weeks, and some said 40 nights. The minority wanted to make many changes. I suppose the majority worked hard to prevent our doing it. But, you know, the committee was not evenly divided on party lines as the House is. We can work our will, but on the committee my side was quite in the minority. But I had many votes on the fish amendment. Do not think I did not have any on the committee.

This fish business has been a failure. Our food committee of nearly 100 members called in ex-President Hoover to talk to us about food, and we still think he knows something about food. He told us that fisheries comprised only one-half of 1 percent of the food products of the Nation, and that we should not try to regulate the fish business. During the last 2 years I have found out that he was right.

I have all the facts and figures that anybody ought to need to convince us, but I have seen so many facts and figures on so many items that I hardly believe them any more. But here they are if we had the time to present them.

The small-boat fishermen are in a bad way under these ceiling prices. The dealers were allowed to make twice the profits they made before, but the consumer has been paying the highest possible prices. It seems that even the consumer has not benefited. But we can foresee ruin to a lot of small fishermen.

This House is to recognize a condition by and by where they may be forced to believe that when we hold down prices to the producer there will be less production, if any. At the very beginning of the price control hearings our committee was assured over and over again that nothing would be done to curtail production. However, when people cannot make any money they stop producing.

These remarks apply not only to the fisheries but to many other industries. Not only small businessmen in various lines but small fishermen are actually being put out of business; deliberately put out of business. The large fishing boats coming in with 1,000,000 or more pounds of fish can make some money even with a low-ceiling price, but the small-boat fishermen that I am pleading for must have a price sufficient to keep them going. They ought to be allowed to ask a proper price to meet their costs.

I am asking that Chester Bowles and his people be relieved of something that they cannot do. They ought not want to attempt it. I asked him if he would not be willing to endorse my amendment but with our friend, the gentleman from Texas [Mr. PATMAN] and others over here listening to him he could not, of course, agree to it.

As to that \$65,000,000,000, the fish ceilings did not contribute much to that.

I plead with you on this Friday, in behalf of the fisherman, that you vote for

this amendment. I am only their representative, but they expect me to demand relief.

Many of you do not have any commercial fisheries in your district. Will you listen to one who does?

Let us take the fisheries out, as they have been proven a failure on all fronts.

As to these ceiling prices, great loads of fish are often being sold at less than ceiling prices. When there is a surplus of fish they get only what is bid for them. When there are only a few fish caught people are willing to pay a proper price to keep the industry alive. I wanted to vote for the Smith amendment because I believe in selective-price control. I do not want to ruin so many businesses.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. The O. P. A. testified before our Subcommittee on Fisheries that they were placing these ceiling prices in some instances deliberately as a conservation measure and in others to regulate the profits of the companies.

Mr. GIFFORD. Yes; a lot of this is being done to socialize conditions, leading to a socialized state.

I made a long speech here when price control was first considered. I favored selecting industries where the prices were in danger of going too high. I did not want to put a blanket over everybody. By spending all this money for the Army and the Navy and everybody else, the general condition is better, is it not? There is more money. Under that defense, heaven help the hardship cases. I desire to help the hardship cases in every line of business. It is expected that we will bring them relief. If the Administrator has not acted after 2 years of experimentation it is high time we gave instructions, in spite of any broad directives such as "hold the line."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SPENCE. Mr. Chairman, may I inquire how many amendments are on the Clerk's desk?

The CHAIRMAN. The Chair is advised there are 15 or 16 more amendments to this section.

Mr. SPENCE. I wonder if we cannot agree on a limit on debate on this amendment.

Mr. GIFFORD. I have another amendment. However, if you will pass this one I will not offer any more. If you will not, I will offer another. Will the chairman agree to support my amendment?

Mr. SPENCE. I am very fond of the gentleman, but I cannot agree to accept his amendment.

Mr. GIFFORD. That does not get me any fish.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. GIFFORD. Reserving the right to object, Mr. Chairman, if I should not win this amendment I have another amendment to offer. Can I offer it then?

The CHAIRMAN. The gentleman certainly can, because the gentleman from Kentucky has asked only that debate on this amendment be limited to 5 minutes.

Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I regret exceedingly I am compelled to take issue with my good friend the distinguished gentleman from Massachusetts [Mr. GIFFORD]. I know he is very much interested in the fish industry. According to what he says, it represents only a small part of what the consumers spend on the cost of living each year. That part I concede. But if we exempt every commodity that represents only a small part of the cost of living, the aggregate will be more than 50 percent and possibly go way up to 75 percent. Therefore, we would have no price control and no stabilization. If you do not have price controls on these items, even the luxuries, even the slot machines and player pianos—if you were to say there would be no price and wage controls, people would quit essential work and go to making slot machines and player pianos. You have to take that into consideration. There is a shortage of labor in this country. If you take the controls off of certain industries like fish, you are not only inducing labor to leave other essential businesses to go there but you also place them in competition with other people to get vital materials to carry on their businesses and their occupations.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. BARDEN. Why did you put the date 1941 in the bill? You know they are going to use that as a maximum.

Mr. PATMAN. The gentleman asks why we made it 1941. We thought that date would be fair. They have an adjustment period written into the law where they can use any 2 weeks they want to preceding certain seasons. It is absolutely fair. The fish industry is not suffering; the fishermen in New England are making \$3,600 a year, ordinary labor, fishermen. They are making \$4,000, they are making \$5,000, they are making \$10,000 and even more. You can read the testimony before the committee yourself. I do not know of any other industry where the people are making more money working in that industry than the fishing industry. The testimony discloses it. This is just an entering wedge. If you are going to exempt anything because it is small, there are a lot of other amendments that will come in later.

When you get through exempting all the small ones, the aggregate will destroy price control and bring about inflation. The gentleman from Massachusetts [Mr. GIFFORD] said he did not understand about the \$65,000,000,000 saving. That is just as simple and plain as a person can make it. The fact is during the First World War over a certain period of time

from the time the war started, we paid a certain price for steel, copper, cement, and aluminum and different things that went into our war machines. During this war, over an identical period of time, under price control, we paid a certain price. If you will take the difference in the price that was paid in the First World War, when they did not have price control and stabilization, and the price that was paid this time on our war machine, you will come to one conclusion. That conclusion is that we have saved \$65,000,000,000 during the first 52 months of this World War by reason of price control and stabilization. That is \$500 for every man, woman, and child in America. Do not overlook this fact, that if that money had been borrowed, as it would have had to be, if we had not had stabilization and price control, the interest on that \$65,000,000,000 for 1 year would be more than the total cost of price control, wage stabilization, and stabilization generally, since this war was declared. The interest alone, mind you, on that \$65,000,000,000 would cost much more. Not only that, the consumers of this country have saved a lot of money too during the first 52 months of this war. They have been saved an average of \$700 per family. I do not mean each family has been saved that much, but the average amounts to \$700 per family, or \$22,000,000,000 plus, in all. Are you going to throw that to the four winds and say that we are not going to have any control over the value of our money? Are you going to say to the boys who are fighting the war that we are going to have inflation go wild and destroy the value of the money of this country?

The CHAIRMAN. The time of the gentleman from Texas has expired.

All time has expired on this amendment.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. GIFFORD].

The question was taken; and on a division (demanded by Mr. GIFFORD) there were—ayes 73, noes 89.

Mr. GIFFORD. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. SPENCE and Mr. GIFFORD to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 92, noes 91.

The CHAIRMAN. The Chair votes "No."

So the amendment was rejected.

Mr. GIFFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD: After subsection (k) insert subsection (l):

"No maximum price shall be established for any fishery commodity below a price which shall reflect to producer fishermen the higher of the following prices:

"(1) The highest average price of such commodity in the year 1942;

"(2) The price which shall reflect to such producers prices or wages, as the case may be, equal to the highest prices or wages paid to such producers between January 1 and September 15, 1942."

Mr. SPENCE. Mr. Chairman, I reserve a point of order against the amendment. I do not know the exact effect of the amendment.

The CHAIRMAN. The gentleman from Kentucky reserves the point of order.

The gentleman from Massachusetts [Mr. GIFFORD] is recognized.

Mr. GIFFORD. Mr. Chairman, I will speak briefly on the amendment. Even after the vote of a minute ago, fish will still swim. They will need attention. I will call the Chairman's attention to the two portions of this amendment. One is simply to give fishermen the highest average price, about the same as you give the farmers and also the producers of manufactured articles. The second half of it simply clears the meaning of wages and shares. We want shares and wages treated fairly and properly. Under many court decisions, shares have been declared as wages. I ought to expect every farmer to vote for this amendment. Give us the same treatment. That is all that is sought in this amendment.

The second part of the amendment simply clarifies wages and shares for the benefit of O. P. A. decisions.

I wish that the first amendment had passed. I noticed a few of you were a little confused. Had the first one passed, I would not have had to annoy you with this amendment. However, this is very simple. I do not see how you can vote against it, be you farmers or manufacturers. I shall be interested to know if you can find any reason to vote against it.

Mr. WOODRUFF of Michigan. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WOODRUFF of Michigan. Does the gentleman's proposed amendment apply to fish in fresh water as well as in salt water?

Mr. GIFFORD. It says "fresh fishery commodities." I wanted to leave out "processed commodities," lest somebody would have a word of objection.

I trust the Chairman will not have to vote this time.

Mr. PETERSON of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I sincerely hope that the House will agree to this amendment. For a number of weeks I have been making a careful study with the Subcommittee on Fisheries of the problems relating to fisheries industry. The chairman of the full committee on Merchant Marine and Fisheries the distinguished gentleman from Virginia [Mr. BLAND] appointed me as chairman of a subcommittee. We have gone into the problems in the New England area. We have gone into the problems of the Pacific coast industry. An immense amount of food is produced by the fishermen. They have all types of problems. They have the same problems as the farmer and some of their own. This does for them virtually what we have tried to do for other industries.

The actual working out of the formula is in accord with the rule. If you pass the law with the verbiage "average price 1941" there is great fear among the fishermen that you will cut back.

While I am on my feet I want to take this occasion to deny that the income of the fishermen is \$3,000 a year. That is only on the extremely large boats, well managed, immense boats, great ships, fishing away off on the far banks, and is the exception rather than the rule. The income of many fishermen is pitifully small, averaging in some States less than a thousand dollars a year. Many fish in small boats, live in small houses. Work in the worst kind of weather and at night.

This is a very deserving amendment. I have tried to bring to you the mature judgment of the subcommittee appointed by the House itself. I hope you will vote for this amendment.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. WOODRUFF of Michigan. Did the gentleman investigate fishing conditions on the Great Lakes?

Mr. PETERSON of Florida. Yes. We had hearings. We have not completed the hearings. They were very much concerned. The gentleman from Michigan [Mr. BRADLEY] brought quite a number of his people there. It resulted in some changes which helped them. We are still studying that problem.

Mr. WOODRUFF of Michigan. Will this proposed amendment apply to fishing on the Great Lakes as well as in salt water?

Mr. PETERSON of Florida. Yes.

Mr. DONDERO. Will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. DONDERO. If this amendment is voted down, does it not then leave it to the discretion of the Administrator of O. P. A. to fix the price?

Mr. PETERSON of Florida. Yes; except you have the minimum of 1941. But I am afraid if you leave that 1941 in there, they will take that as a direction, and the fishermen cannot operate on that basis.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. BATES of Massachusetts. We all appreciate the splendid work the gentleman has done in regard to the investigation of the fishery industry. Does the gentleman know of another group of men who has contributed more to the war effort than the fishermen that he is speaking about who go out on the North Atlantic and on the Pacific?

Mr. PETERSON of Florida. The testimony before the committee from a nongovernmental scientific group was that the fishermen provide more food per man than any other class of producers. The hog farmer in the great Corn Belt produces next. The farmer has done a great job and we are thankful for that, but we must not forget the great food supply brought in by our fishermen.

Mr. BRADLEY of Michigan. Will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. BRADLEY of Michigan. The gentleman will recall that the chairman of our subcommittee was very courteous when I called him as late as 8:30 o'clock

at night, at the request of the gentleman from Michigan, to convene a special session of our subcommittee at 10 o'clock to hear testimony from the Great Lakes fishermen in his district, asking for this very measure.

Mr. PETERSON of Florida. That is right. The gentleman from Michigan has been most diligent in presenting the fishery problems of his section. The problem is Nation-wide. It helps many, many States more than my own. Most of my fishermen fish for migratory fish and not under price ceilings. The Pacific coast and the Great Lakes, New England, and all will be helped; and above all, the high-protein food will be produced for the Nation.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. RAMSPECK. What affect will this amendment have on the present price of fish?

Mr. PETERSON of Florida. I do not think it will affect it greatly, if they operate as they should under the present formula. There were a lot of price ceilings fixed where they did not have adequate information. But with the words "1941" in there, the fishermen are afraid it will result in a cut-back and cause a great amount of confusion in the fishery industry. I hope we can vote for this amendment. It is a very deserving amendment.

The CHAIRMAN. The time of the gentleman has expired.

[Mr. BARDEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. WOLCOTT. Mr. Chairman, the committee should understand the reason why very many of us voted against the first amendment offered by the gentleman from Massachusetts. It was because it would take all controls off the fishing industry. Had we taken all controls off the fishing industry it would have established precedents whereby other groups might expect like consideration, but there is no reason why the present amendment offered by the gentleman from Massachusetts should not be adopted. It is in my humble opinion a very fair standard for the control of fish prices and bears a relationship to the prices we have established for other food commodities, agricultural commodities. This may be compared to similar formulas set up under this regulation. The standard set up by the gentleman's amendment would provide the administrator every authority necessary to adjust them so he can do equity to both the fishermen and the consumers.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WOLCOTT. I yield.

Mr. PATMAN. Does this amendment read: "Seasonally adjusted" or "at the highest price paid during the year"?

Mr. WOLCOTT. As I understand it it is fixed at the highest price paid between January 1 and September 15, 1942.

Mr. PATMAN. That would raise the price more than 25 percent. If the author of the amendment will modify it to include the language "seasonally adjusted" I think there would be no objection to it. I do not believe the proponents of the amendment would object to it; they should not. When everything else is seasonally adjusted why should not this be seasonally adjusted?

Mr. WOLCOTT. I do not know that agricultural prices are seasonally adjusted.

Mr. PATMAN. I believe they are.

Mr. WOLCOTT. The only provision in respect to that is subsection 2 of section 3 which reads:

That the highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942—

Yes; the gentleman is right—

adjusted by the Secretary of Agriculture for grades, locations, and seasonal differentials.

The gentleman is correct in that respect.

Mr. PATMAN. I think they should accept an amendment in that respect.

Mr. WOLCOTT. I do not know that it is particularly necessary in this case for the reason that you know when you plant radish seeds you are likely to get radishes, but you cannot plant fish eggs and know that you are going to get fish.

I hope the committee will adopt the gentleman's amendment.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a question?

Mr. WOLCOTT. I yield.

Mr. FITZPATRICK. Down at Atlantic Highlands, N. J.—and they are not New Yorkers down there—they used to sell fish at 15 and 20 cents a pound. Last year they were charging 65 cents a pound in Atlantic Highlands for fish.

Mr. WOLCOTT. You know, at one time I worked in a chair factory for 10 cents an hour; I would not want to have to do it again.

Mr. FITZPATRICK. That is what they are selling fish for down there now.

Mr. WOODRUFF of Michigan. Will the gentleman yield?

Mr. WOLCOTT. I yield to my colleague from Michigan.

Mr. WOODRUFF of Michigan. Mr. Chairman, reference has been made to the fact that the price of fish in the city of New York is exceedingly high. I believe the figure mentioned was 80 cents per pound. I can assure the Committee, Mr. Chairman, that to my personal knowledge this situation is not due in any degree whatsoever to the price the fishermen of the Great Lakes receive for the fish they ship to the eastern market. For many years there has been a situation existing in fish merchandizing in New York which I believe could long ago have been stopped had the Federal and State authorities taken the situation in hand and enforced the law. There is only one market, aside from the purely local market, available to the fishermen on the

Great Lakes. That is the city of New York. Our fishermen are compelled to ship their fish and to take whatever price that gang of racketeers see fit to pay them. It seems that the selling of fish in that great city is conducted by an exceedingly close corporation. Fishermen in my congressional district have in years gone by complained to me about the treatment they have received in connection with the selling of their fish and have been compelled to accept prices far, far below the cost of producing and shipping them to that market. So, if our friend from New York complains that the price of fish in his home city is at this time way above what it has been in the past you may be very sure it is due entirely to the fact that the greed of those engaged in the distribution of this particular food product to the people of New York has gone beyond all bounds. Certainly, the fishermen of the Great Lakes, and I assume the fishermen along the Atlantic coast, have not been receiving a price for their product which in the slightest degree is above that they received in years gone by. I hope, Mr. Chairman, that the O. P. A. will take such action as is necessary to give to the men who produce the fish a proper price for their product, and give to the consumers of New York and the country generally an opportunity to buy this very valuable food product at a reasonable price.

Mr. WOLCOTT. I am in hearty agreement with the gentleman's position.

Mr. PATMAN. Mr. Chairman, I would like to ask the gentleman from Massachusetts if he would accept an amendment to make the price seasonally adjusted.

Mr. GIFFORD. No; I am afraid of the gentleman; I would not dare to.

Mr. WOODRUFF of Michigan. In respect to the marketing of fish in New York City, the gentleman from New York knows there is a group in that city that offers to the people who catch the fish whatever price they please, and the fishermen have to take it or get nothing. It is the people who handle the fish in New York City who are responsible for the retail price and not the people who catch the fish.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF of Michigan. I have not the floor.

Mr. FITZPATRICK. I am not talking about the price of fish in New York, I am talking about the price of fish in Atlantic Highlands, N. J. It is the natives down there who charge it.

Mr. WOODRUFF of Michigan. It amounts to the same thing; they handle fish all up and down the coast.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentleman made a very persuasive argument about this fishing situation being comparable to the agricultural situation; and since he is basing it on that ground it occurs to me he should make the standard similar. I hope he will accept an amendment to make the price seasonally adjusted; otherwise we do not know where we are. We know that in certain cases the price of

fish went very high maybe one day in the year, and under the gentleman's amendment they would take the highest price for the entire year. It seems to me that it is only fair to ask that the price be seasonally adjusted. If the gentleman will agree to an amendment just like that adopted in the case of agricultural products I will support his amendment.

Mr. GIFFORD. When you plant corn you know you will raise some kind of a crop, but you cannot control the love life of fishes so easily.

Mr. PATMAN. I do not think that is an answer. Evidently the gentleman does not want to do it.

Mr. GIFFORD. Fish is a different matter. I want the highest average price, not pick out the days when they are low.

Mr. PATMAN. If the gentleman will agree to make it seasonally adjusted like other things, the committee will be for it.

Mr. GIFFORD. Of course, I will not agree to that. All I want is what you have over there.

Mr. PATMAN. Otherwise I hope the amendment will be defeated.

[Mr. BLAND addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the fishing industry deserves consideration. I know they are fine hearty men who bring the fish into market and they ought to have a fair return on their products. I understand, however, under the law that exists now the Administrator has given the fishing interests the price that prevailed in 1942. The law provides that the base period for commodities shall be between October 1 and 15, 1941, but if that it not truly representative of a normal market he can take the 2 weeks nearest that time that will be truly representative of normal times.

The Administrator of Price Control has taken 2 weeks in 1942 as the base period for fish. In that way the fishing industry has received a higher price than it would have obtained if any time in 1941 had been taken. The base or floor under the price of fish is the average price of 1941. You cannot make a price lower than the average price for 1941. The amendment, as I understand it, would make the floor price the price that prevailed on the highest day of 1942.

I would like to do justice to the fishing industry, but it does not seem to me that that is the proper way to do it, not because they perhaps are not entitled to something, but if you give preferential treatment to one industry, what argument will there be not to give preferential treatment to another industry? What is the Price Administrator going to say to some other industry that comes in and states: "We had a higher price at a certain time and we want it."

Mr. Chairman, that is the peril in this whole thing. It is the peril of breaking through the dam that holds the floodwaters. I feel sympathetic to this industry and I feel very sympathetic and very kindly to the men who constitute it, but when you vote for this amendment I want

you to consider that when you break the dam the floodwaters will come through. I do not care whether you like the way it has been administered or not. We have all had complaints. However, it is necessary to hold the line and every breakthrough weakens it.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. GIFFORD].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 131, noes 66.

So the amendment was agreed to.

Mr. IZAC. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. IZAC: Page 6, line 23, change the period to a comma and insert the following: "Including those cases in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs, or in which the rent is less than the total costs of operation, or in multiple-unit premises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises."

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

Miss SUMNER of Illinois. I object, Mr. Chairman.

Mr. IZAC. Mr. Chairman, in explanation of this amendment, on page 6, subsection (c) of section 2, we are talking about rent control. So far we have been delving into the realm of food commodities; fish, and the like. Now we come to rent control.

Of all of the parts of price control the most unjust and unreasonable has been that of rent control, and I think I speak the sentiments of most of the people who have come in contact with it when I say that. Is is an accusation, and I mean just that. The Administrator has had opportunity for the last 2 years to make this correction. He has failed to do so, even after the urging of Members of the House and of members of the committee. I have had a little experience in going throughout the country, in war-congested areas, and finding out how this rent control has functioned. It has been unjust to individuals, both tenants and owners. There has been no effort made to avoid discrimination, and of all of the parts of price control this has been the worst of all.

We say here in the original act—and I will give you the exact words:

The Administrator shall make adjustments for such relevant factors as he may determine and deem to be of general applicability.

Think that over for a moment, "general applicability." That means if 51 percent of the people are treated properly in a rental area, as to the other 49 percent it does not make any difference how rough you treat them. You can take all of their livelihood from rents away from them; it does not make any difference.

After all this time this committee has brought in an amendment, and it is incorporated in the bill. It says:

The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date

for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations.

He already sees the handwriting on the wall, so he is willing to accept that. This committee has brought that kind of an amendment in. It is in the bill. If you accept the bill, you should accept that much. So far, so good. But do you not see there is still no compulsion on him to do justice in an individual case? Not at all. There is only one way we are ever going to make that Administrator give justice and equity where it is due, and that is by the adoption of some sort of an amendment as I am offering here today, which I think will meet with the approval of practically everyone who has had trouble with rent control.

We take the bill exactly as it stands and we incorporate these further provisions, "including those cases"—that does not eliminate any other cases, but it does include these cases—"in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs."

Do we want a home owner to operate his home for the benefit of the war effort at a loss? Of course, we do not. But we have never had any individual adjustments in cases where the man was actually losing money.

Now, note the next step, "or in which the rent is less than the total costs of operation."

That has happened in innumerable instances. We have a case in court now where it is going to cost the owner \$100 a month to keep the doors of his rentals open. It is of advantage to the war effort in these highly congested areas to have just as many rental units available as possible. But we have to treat these people equitably. This would do it.

There is one other phrase I would like to mention, "or in multiple-unit premises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises."

Would you believe me when I tell that there are instances in my district, not one or two, but by the dozen, where comparable properties are renting for as great a difference as \$18 a month and \$45 a month?

If \$45 is right and fair, \$18 is too low, and vice versa. They both cannot be right. The Administrator has refused to permit the local rent director to use any discretion at all. He cannot go in there, in the worst kind and type of hardship case, and try to adjust it on its merits.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentleman from California.

Mr. HINSHAW. I have a case right in point on the question the gentleman brought up. A hotel keeper, who ordinarily received \$5 a day for his rooms, but because he has entertained soldiers in these rooms out of the goodness of his heart at the price of 75 cents a night during the base period, is now forced to

keep 50 rooms in that hotel at 75 cents a night for everybody that calls for them.

Mr. IZAC. Of course, the gentleman knows that is not only true on the west coast, but that throughout the 351 defense rental projects we have had the same situation.

All I am asking is that Congress do justice to our people. I know that it is going to affect some tenants; I know that it is going to affect some owners, but I think that when we adjudicate it on a basis of equity, where it is fair to both sides, we are right, and our actions will meet with the approval of the people of the United States; and unless we do that, we are permitting the Administrator to do something that is not right, that is not just, and fair, and we as a Congress are failing to protect the best interests of our people. Mr. Chairman, I appeal to my colleagues to indicate their belief in fair play by voting for my amendment.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is very difficult for me to rise in opposition to an amendment proposed by my friend and colleague from California [Mr. IZAC]. All along the west coast we have a seriously congested housing condition. I do not know of any portion of America where the rent-control situation has posed more problems of the type pointed out by the gentleman from California [Mr. IZAC]. In my own district the rent problem is most serious. However, may I in the very few moments I have mention what the committee has done in an effort to meet this problem, and then show the effect that the amendment offered by the gentleman from California would have.

To begin with, the committee recognizes that there are cases where peculiar conditions should certainly be considered in individual adjustments of rent. Consequently, this particular change was made in line 17 on page 6 of the bill:

The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense rental area for comparable housing accommodations.

It seems to me that this amendment amply directs the O. P. A. to care for hardship cases.

The second change that was made comes at the end of the sentence ending in line 4 on the same page. I quote:

He shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs—

Then this language was added: within such defense-rental area.

That language was added in order that changes might be made to bring about greater justice when there were peculiar costs within the particular rental area that was being considered, and to definitely instruct the Administrator not to try to compare conditions in one defense area with those in another defense rental area.

The gentleman from California [Mr. Izac] pointed out that the term "generally fair and equitable" brought about certain hardships. We have tried to eliminate those through the addition of this language. However, if we attempt through legislation to iron out every particular case of rent control, we are going to find ourselves up against an absolutely impossible situation.

In addition to what we have done, it seems to me that the matter is primarily one of administration. May I quote to you from a letter received June 3 from Mr. Carson, the National Rent Control Administrator:

DEAR MR. OUTLAND: As you know, the rent regulations now provide 10 grounds upon which an individual adjustment may be made increasing the maximum rent on petition of the landlord. We are proposing to amend the regulations by adding a further ground for individual adjustments where—

And I quote, and this is new administrative regulation—

"the rent on the date of determining the maximum rent was materially affected by special hardship circumstances and as a result was substantially lower than the rent generally prevailing in the defense rental area for comparable housing accommodations on the maximum rent date."

Under this new ground a maximum rent will be increased where it appears, first, that the rent on the date determining the maximum rent was materially affected by special hardship circumstances, and, second, that as a result of these special hardship circumstances the rent was substantially lower than the rent generally prevailing in the defense-rental area for comparable housing accommodations on the maximum-rent date. Where these facts appear the rent will be increased to the rent generally prevailing in the area for comparable accommodations on the maximum-rent date.

As you know, maximum rents are established in the various areas on the basis of the actual rents for housing accommodations on a date selected as appropriate for a particular area in accordance with the standards set forth in section 2 (b) of the act. This date is referred to in the rent regulations as "the maximum rent date."

In some instances housing was not rented until after the maximum-rent date, and where this is true the maximum rent established by the regulations is the first rent received for the accommodations. The phrase "date determining the maximum rent," which is used in the above adjustment provision, includes these "first rent" cases. Therefore, if the first rent was substantially lower than comparable rents because of special hardship circumstances the language makes provision for adjustment.

The adjustment provision does not include cases where there has been an increase in operating costs of a particular property. However, under the Emergency Price Control Act, the Administrator is under a duty to make general adjustments of maximum rents in an area, not only when housing accommodations generally in the area have been affected adversely by increased operating costs, but also where particular classes of accommodations have been so affected. In making surveys to determine the effects of rent control upon the operating position of landlords, this office has recognized that different classes of housing may be affected differently. Therefore, its surveys have differentiated between apartment houses and small structures so as to determine the operating position of each of these classes. In addition, income and expense studies of hotels in various areas have been made when occasion required.

The adjustment provision which we propose to insert in the regulations requires a finding of "special hardship circumstances." This is a rather general phrase and because of its generality we recognize that it will create difficulties of administration. It is quite important to the administration of our individual adjustment provisions that fairly specific criteria be established to guide the area offices which are actually charged with the responsibility of making the adjustments. The number of these offices is large—368 at the present time—and some of the areas cover a vast number of housing accommodations. In order to obtain a reasonable degree of uniformity it will be necessary for us to furnish the field offices with instructions as to the types of cases which come within the phrase "special hardship circumstances." In addition, it will be necessary for us to issue public interpretation or other statements which will inform landlords of the types of cases in which relief may be given under the adjustment provision. This information is needed not only so as to place landlords upon notice of their rights but also in order to cut down the number of petitions filed which have no merit. One of the real dangers in an adjustment provision which contains vague language is that the area offices will be bogged down in processing and disposing of a vast number of petitions which have no merit. The work thereby created, of course, retards the disposition of cases which do have merit, and inevitably results in criticism because of administrative delay.

Our ability to administer this adjustment provision, therefore, depends to a considerable extent upon our ability to establish various classes of cases which properly fall within the language "special hardship circumstances." Upon the basis of our present experience we are able to outline certain types of cases, but many problems will have to be worked out as they develop. It may be helpful to discuss a few types of cases in which adjustment will be made under the amendment.

One group of cases is where a landlord rents for an amount substantially below the prevailing level of rents as a result of unusual pressure or necessity. For example, a husband dies and the wife makes immediate plans to move out of the house in which they have been living and return to live with her parents. As a result of emotional distress and anxiety to rent the house immediately she rents the house for an amount substantially below the rent prevailing on the maximum rent date for comparable housing. Perhaps this renting takes place after the maximum rent date, in which even the maximum rent for the house is established on the basis of the first rent received. In a case of this type an adjustment will be made because of special hardship circumstances.

Another group of cases covered by special hardship circumstances is where unusual circumstances were present in connection with the management of the accommodations on the maximum rent date, resulting in a rent substantially below comparable rents. For example, the owner of a rented house died some time before the maximum rent date. A dispute arose concerning title to the house and this dispute continued for a considerable period of time and until after the maximum rent date. Because of the title dispute no one undertook the responsibility of managing the property and the tenant continued to pay the rent that she had been paying to the former owner. This rent was substantially below the prevailing level of rents on the maximum rent date. In a case of this type an adjustment will be made under the new provision.

A third group of cases includes those in which property is being rented on the maximum rent date by a person who is not primarily interested in obtaining an adequate

rent. For example, a house has been taken over by a mortgagee at foreclosure sale and on the maximum rent date is rented for a low amount, primarily in order to keep the house occupied and prevent vandalism until it can be sold. In cases such as this an adjustment will be made on the ground that the low rent was the result of special hardship circumstances.

Occasionally, cases have been presented in which the person who owned the property on the maximum rent date rented it at a low figure in order to secure some other advantage which could be secured only by fixing a low rent. For example, on a maximum rent date a house was owned by an individual who intentionally rented it at a low rent in order to keep his income down and thereby obtain old-age assistance from the State. Title to the house has since been transferred. Under these circumstances we would consider that the new owner may obtain an adjustment because of special hardship circumstances.

I will not burden you with a further discussion of specific types of cases. I hope that this discussion has indicated some of the situations with which we are confronted and in which adjustment will be made under the proposed amendment. I should like to add a few words concerning the general approach which we will take in making determinations under this amendment. The rent regulations establish maximum rents on the basis of rents freely bargained for between landlords and tenants in the competitive market which existed prior to the housing shortage created by the impact of war activities. A number of the present adjustment provisions of the regulations are intended to give relief where some abnormal element was present so that the rent was not the product of the normal bargaining process. The new adjustment provision will be used to give more extensive relief in this type of case.

If there are any problems on which you would like to have additional discussion, I will, of course, be only too happy to communicate with you further.

Sincerely yours,

IVAN D. CARSON,
Deputy Administrator.

May I also point out that if we attempt to change the "generally fair and equitable change," whether it be in rents or be in other phases of the Price Control Act, we are going to run up against exactly the situation that Mr. Bowles stated to the committee, and I should like to quote his comment:

It is the judgment of the Office of Price Administration that the elimination of the word "generally" from the standard "generally fair and equitable" would destroy effective control of rents.

In my judgment, the provisions which have been added in the amendment proposed by my friend from California would have the effect of seriously impairing the operation of rent control. I do believe—and I discussed the matter with him and with the National Rent Control Director—that there are some additional changes which should be made in administration, and I will be the first one to go along with both of them in bringing about those changes. Especially should more consideration be given in cases of increased occupancy. Throughout my entire district rent control is a terrific problem and many serious injustices have crept in, but I do not want to see put into the bill language which in my judgment and in the judgment of the Administrator will impair its effectiveness.

The last proposal in Mr. Izac's amendment, namely, to adjust rents within the same multiple-dwelling unit on a comparable basis, seems to me to be full of danger. It is difficult for me to see any justification for equalizing maximum rents of apartments or other units within a building while not doing the same thing for single-family structures. If this change were made, the rent control administrator would certainly be under great pressure to adjust upward rents where the maximum of one house is lower than that of similar houses in the same locality.

Furthermore, experience has shown that rents do not rise even in an area as inflationary pressures set in. Some rents are raised at the first omens of such pressure while others spiral only the pressure becomes extremely acute. On any maximum freeze date it is inevitable that some rents already have risen while others have been held constant. An adjustment of all rents to the highest amount charged for comparable units in the same building—and this interpretation is widely held regarding this particular phase of this amendment—might operate to raise all rents in multiple unit structures to the inflationary levels reached by a few; this is exactly the result which was avoided in the selection of a maximum rent date for a particular area, and it is a result which I feel certain this House does not wish to sanction in this legislation.

I repeat, that I am as anxious as my colleague to remedy individual hardship cases; such a course is imperative if we are to bring about greater equity in the law. But the proposed amendment would be harmful rather than helpful in this connection; consequently, it is with reluctance but deepest sincerity that I ask the committee as a whole to vote down the proposed amendment.

Mr. ROLPH. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I first want to compliment my colleague the gentleman from California [Mr. Izac] for the splendid work he has been doing in connection with rent control. As the speaker who just preceded me, also my colleague the gentleman from California [Mr. OUTLAND], has stated, the rent situation on the Pacific coast has perhaps been more acute than in any other section of the United States. There is no person in this Congress who has taken a more active interest in it than the gentleman from California [Mr. Izac], and I am here to support his amendment.

As I told this House on Wednesday last, in discussing the rent-control situation I introduced before our committee an amendment which I quoted at length in my remarks. That amendment would take care of perhaps 80 percent of the differences which have arisen in connection with rent control. I also stated at that time that about 90 percent of the amounts involved in these rental disputes ranged from \$2.50 to \$10. If more authority had been given to the local offices, we would not have had one-tenth of the complaints which have arisen in connection with rent control.

My colleague, the gentleman from California [Mr. Izac], has introduced an amendment here which I am supporting and which I hope the House will adopt.

The gentleman from California [Mr. OUTLAND] has stated the objections of the O. P. A. to amending rent control. I yet have been unable to figure out why they object to the provisions of the amendments which we have before us. There is no reason in the world why these individual cases should not be investigated.

They speak about the fact that it is impossible to know the values of real estate and to know rentals. In every metropolitan district in this country the real-estate men know the values of property and have known them for years.

As far as the inability of the Rent Control office to function properly without the word "generally" in the legislation is not, in my opinion, well founded. I think that each individual rent case should be adjusted on its merits.

In many of the areas in California the rent date, according to O. P. A. records, was established on January 1, 1941. By looking through the hearings you will find that there is no section of the country where the rent date, the effective date, was earlier than January 1, 1941. In California many sections have that date as the basis. In San Diego, itself, January 1, 1941, is listed.

Many people rented their property during the depression at low rentals. They did it for two reasons. First, property deteriorates rapidly unless occupied. Second, they wanted to give an opportunity to people whose incomes had been drastically reduced to have suitable housing accommodations. In the meantime, taxes and other expenses are higher and the incomes of many of these tenants have increased very much. Numbers of the tenants would gladly pay moderate increases in rent which would help pay increased costs, but O. P. A. allows no leeway. I think the O. P. A. should correct these hardship cases.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from California.

Mr. OUTLAND. The gentleman is making an excellent speech. I am sure he realizes I agree with him that we must do something about correcting the rental conditions. I am simply anxious not to get crippling amendments into this bill.

Mr. ROLPH. I do not consider these are crippling amendments. I think they are strengthening amendments which will help the legislation.

Mr. OUTLAND. The gentleman stated a moment ago that he thinks each case should be investigated.

Mr. ROLPH. I do.

Mr. OUTLAND. Does the gentleman realize there are over 14,000,000 cases to check into?

Mr. ROLPH. Certainly I realize there are 14,000,000 cases, but there are not 14,000,000 cases of criticism; there are not 14,000,000 complaints. There are 14,000,000 rented properties, but not 14,000,000 kicks against the O. P. A. Only a comparatively few. Certainly I think

they should handle each individual case. In my opinion, it is entirely reasonable.

Mr. OUTLAND. Does the gentleman realize further that already there have been adjusted over 350,000 petitions initiated by landlords and over 300,000 petitions initiated by tenants?

Mr. ROLPH. Yes. I think that is splendid, but I think they should go further and straighten this whole thing out.

(Mr. ROLPH asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. BELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when this conflict started, it became necessary to place certain restrictions on the normal activities and rights of our citizens in the interest of the general public and in the interest of the war. On the other hand, the amendment that is now before the House affects something, that you will all agree with me, is perhaps the most vital right in our domestic lives as citizens of this country. I think it was William Pitt, Earl of Chatham, whom every lawyer in this Hall has read, who said that a man's home is his castle. He went further than that, and he said, the rain may enter, the storms may enter, no matter how humble that cottage is, the very elements may shake it to its foundations, but the King may not enter.

How many times have those words of William Pitt been quoted in courtrooms from coast to coast in this country of ours? And how dear to our hearts are the principles behind those words uttered by that great English jurist? And how thoroughly have those great principles become embodied in the warp and woof of our common law? The amendment before us at this moment seeks to place about the men who would administer this act certain laws and restrictions. I am a believer in government by law rather than by men. So far as this amendment goes, and I think it goes to a considerable extent toward bringing about an enforcement by law rather than an enforcement by men, I am for this amendment. I think it helps the act. I hope the Members will vote in favor of it. There is no one thing that has grown out of the O. P. A. which, to my observation, has caused more discontent back in the grass roots than to have someone come into your community from afar and say, "Now you must take this man into your home" and having taken him in, you cannot kick him out, no matter how late he comes in at night or how he disturbs your family or how much less rent he pays than your taxes and your upkeep amount to. I think this amendment will remedy that very situation.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment close at 5 o'clock.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky [Mr. SPENCE].

The motion was agreed to.

Mr. DONDERO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I come from a section of the country where the Rent Control Administration has caused more dissatisfaction and discontent among the

people than any other law that has been administered since the beginning of the war. The Emergency Price Control Act had my support and vote because I believed in the principle of price stabilization in time of war. The act has, on the whole, been very beneficial to the people in keeping prices of essentials of life and commodities within reasonable bounds.

Yesterday I talked with Karl H. Smith, president of the Greater Detroit Property Owners Association. Part of the city of Detroit is in my congressional district. Let me cite an instance of how rent control operates in that city, as I was informed. But before doing so, let me call attention to the fact that conditions have become so bad in that area—and it is a defense area—that even the H. O. L. C., a Government agency, has petitioned the O. P. A., another Government agency, to increase the rents on property which it holds in that area.

In Detroit, when a property owner, and I do not think anybody ought to use the term "landlord," because there is no such thing as a landlord, the owner of property is not "lord" over anything, not even his own home if he rents a room in it under present conditions, files a petition for relief with the rent Administrator that petition might not receive attention for 9 months. When a decision is made on it, that decision takes effect on the date it is made. If a tenant files such a petition and that petition remains in the office of the Administrator for 9 months, and a decision is made favorable to the tenant, it is retroactive to the date on which the tenant filed the petition. I ask the Members of the House if there is any such thing as equal justice under law when it is administered in that way? Either the rent-control law or its administration is unjust. We had better chisel away the words over the portals of the Supreme Court of the United States and substitute "Unequal justice under law." Let me give another reason why I am supporting the amendment. In my home city of Royal Oak, Mich., a 5-room unit is renting for \$25 a month, with all modern conveniences, because the property owner was generous to a tenant who had had bad luck. In the same area another 5-room unit, of equal space and conveniences but built subsequent to the beginning of the war, brings \$55 a month. So far as I have been informed nothing has been done to correct that inequity. This is nothing more nor less than unfair and inequitable treatment among our own citizens. Is it any wonder that protests are made? I hold in my hand a post card, and I understand that more than 200 of these cards were sent to the Committee on Banking and Currency of the House, and I want the Members to listen to what one of the property owners of Pontiac, Mich., has to say:

DEAR SIR: We have pleaded with our Washington Representatives for 2 years, asking relief from an unjust rent ceiling, but without avail. Is there anyone in Washington who knows and understands our dilemma? Must we succumb to the tyrannical edicts and directives of bureaucrats and dictators?

In addition to all the increased costs of

operating and maintaining property, we are now faced with a 20-percent increase in our assessed valuation, ordered by the State tax commission. This has been followed by a strike of school teachers, demanding more money and a special election called to vote 2 additional mills for school purposes. Have we returned to the days of the Boston tea party? Will drastic action on the part of property owners be necessary, before Congress is aroused to action? Where is the freedom we of America once knew?

Yours sincerely,

Under this proposed bill, nearly everything is left to the discretion and the judgment of the O. P. A. Administrator. How will he deal with the people at Pontiac, Mich., when they are faced with a 20-percent increase in their taxes in one year?

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I will yield to the gentleman if he can answer that.

Mr. OUTLAND. Mr. Chairman, I think I can answer that. That is taken care of in the present bill, when taxes are of a general nature and where they cover an area, at the top of page 6, where provision is made that he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, which would include increases or decreases in property taxes.

Mr. DONDERO. The difficulty with that is these people have already waited 2 years for some fair adjustment in their rents, and they have not received it. The trouble with the present Rent Control Administration is that too much discretion or too broad powers have been given to the Administrator, who has not exercised those powers fairly. What I say about the people at Pontiac, Mich., also applies to the city of Detroit. They have formed property owners' associations in both cities to protest.

I am in favor of an amendment to correct that injustice.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am under the impression that the committee bill takes care of all inequities that these gentlemen have complained of, because, on page 6, line 17, it is stated:

The Administrator shall provide for individual adjustments in those classes or cases where the rent on the maximum-rent date for any housing accommodations is, due to to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations.

I think the committee has used splendid judgment in putting this provision in the bill. Relief is forthcoming to all those who have a just claim.

I have received perhaps a greater number of complaints from property owners than anyone, but most of those complaints come from the owners of large apartment buildings, owners who acquired those apartment buildings under foreclosure at about 15 or 20 cents on the dollar. In all of those cases those owners cannot show that they have not

received a fair return on their investment. Consequently their claims and complaints are not fair or just.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. IZAC. Unfortunately it may be true that in cities like Chicago and New York, where you have a great number of apartment houses, that does apply, but it certainly does not apply in the vast majority of cases along the western seaboard, where we have thousands of little communities, peopled by aircraft and shipyard workers living in duplexes, living in one side and renting the other to a fellow worker.

Mr. SABATH. I fully appreciate that there may be some exceptions to the rule, but I am speaking of general conditions. I feel that the country and the people as a whole have been greatly benefited by this law. Otherwise, the rents of the poorer class of people would have gone sky high. I know that in commercial buildings and properties, where there have been no restrictions whatsoever, rents have gone up 25, 50 and as much as 250 percent.

Now, I have complained. I do not say the O. P. A. has been perfect and all of its men have used good judgment. Some of them have not. I am willing to concede that. But taking everything into consideration, that organization has done a splendid job—much better than most of us have accomplished.

Mr. OUTLAND. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. OUTLAND. I would like to say to the gentleman, in making the statement that the committee in adding this amendment beginning in line 17, had as its aim correcting the injustices that have arisen.

Mr. SABATH. That is what I originally understood. I understand that there is now a corrective provision in the bill.

As I said before, I compliment the committee for wisely including this provision in the bill which will give people who have just complaints an opportunity to be heard and to have their complaints adjusted. Consequently there is no need for the far-reaching amendment that the gentleman has introduced, which will permit anybody at any time to come in and demand a revision of rents.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SABATH, Mr. DONDERO, and Mr. ROWE were granted permission to revise and extend their own remarks.)

Mr. ROWE. Mr. Chairman, I think the broader view of this problem of rent control ought to be considered now while this amendment is under consideration.

When this war came upon us suddenly it was necessary that something be done to stabilize prices to a certain degree, that inflation might not run away. This Congress, together with the people, accepted the fact that a blanket regulation be placed over all rental properties in the United States where war activity would cause high rents. In order to effect stable rents as nearly equitable as possible they

fixed certain dates which on that day certain fixed rents would be effective. That was a protection so rents would not run away. Now, the Congress intended that power be granted to the Administrator so that wherever the rents fixed on that particular date worked a hardship that the people upon whom that hardship was imposed might appear before the Administrator or his delegates and obtain something equitable in comparison to other rented properties in that same general locality. As a matter of fact, for 2½ years that has not been done. So the attempt of this amendment is to further instruct the Administrator and implement him to do the very thing that Congress intended to do originally.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. POULSON. The distinguished gentleman from Illinois [Mr. SABATH], who refused to yield to anyone on this side of the aisle, made a statement to the effect that there were no inequities, and that they were complaining about something about which they had no right to complain. Here is a man who paid \$4 a week when the rent had been fixed at \$3.50. The total amount of excess rent paid was \$15. A judgment was entered against the property owner for \$1,500 for overcharge of rent. Is that an inequity according to the opinion of the gentleman?

Mr. ROWE. I do not think that is applicable to this amendment. Obviously that is a violation of the rule set up. There should have been machinery whereby an adjustment could have been made if the rent paid was too low. I hold no brief for anyone who will knowingly charge rents above that which is fixed by the regulation until such time as they can have had an appeal.

Mr. CURTIS. Will the gentleman yield?

Mr. ROWE. I yield.

Mr. CURTIS. I shall support the amendment. I think the Congress should do something in regard to the rent-control law. The high policy-making officials have proceeded on the theory that the property owner is always wrong. In my particular area we were unfortunate. We had several years of drought and total crop failure, and all rents were subnormal in the base period. They have refused to take corrective action that they should, and it has been very unjust to many, many people.

Mr. ROWE. May I say at this point I do not think there is anything in the amendment that will not permit the Administrator, or his fixed authority in the respective localities, to make any person who wants to qualify for a higher rent to come in and state the reason why, and validate each and every claim. If they can do that, what harm is there in giving to that person the expenses which have been imposed upon him, and over which he has had no control?

Mr. OUTLAND. Will the gentleman yield?

Mr. ROWE. I yield.

Mr. OUTLAND. On the point raised by the gentleman from California [Mr. POULSON], if he will read the last part of the bill he will note the committee has added another amendment under "Procedure" which is designed to correct the situation to which he referred.

Mr. ROWE. I am advised that the punitive damages are limited to one offense. I think that is a corrective step. I have had many occasions to contact the O. P. A. officials. There are many complaints coming from my constituency.

I have had little or no difficulty in bringing about some remedial relief when they were justified and within the law. I expect to say more about this at a later time. I believe that if the amendment is passed it will not impair or impede the Administrator in doing just as good a job as he has done in the past—if it has been a good job.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I believe a good bit of trouble with O. P. A. arises from two causes: One, bad public relations; and, two, defects of administration.

I believe the bill the committee has written is an improvement over the prior bill; I think it contains many features which will eliminate some of the injustice about which complaints have been made. I think the committee has done a good job. They have worked hard on this bill and brought out one which deserves the support of the House.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. PACE. I notice the committee bill provides that the Administrator shall make adjustments for increases in property taxes and other costs within such defense-rental area. Is it the gentleman's understanding or the committee's understanding that the item of costs will include increased costs of repairs and maintenance?

Mr. WRIGHT. I yield to the chairman of the committee to answer that, because it was the committee that drafted the bill and his word would be more authoritative than mine.

Mr. SPENCE. I think it is obvious that it is intended to meet the increased costs of maintenance and upkeep and repair.

Mr. PACE. I thank the gentleman.

Mr. WRIGHT. There are several factors that should be taken into consideration if we are to pass judgment. Statistics seem to show that the profits from the rental of dwelling houses are higher now than they have ever been before. The second factor is that there have been fewer foreclosures on rental property in the past several years.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. ROWE. I should like to make just this explanation, that the general average of rental income is higher than it has been.

Mr. WRIGHT. Yes; that is right.

Mr. ROWE. And it was pointed out here that for any new structures coming in after the date certain on which rentals were fixed the standard of rents is extremely high as compared to those that were fixed on that date. The trouble with statistics is that they take the average. The purpose of the amendment is to readjust down to the date certain.

Mr. WRIGHT. In my opinion, under the committee bill there is just as much chance to get fair consideration for the individual hardship case as there is under the amendment. I think it is entirely a question of administration. What I am going to rely on to get these adjustments is this provision that has been set up in the bill bringing the O. P. A. officials before the committee where the committee can direct them on questions of policy. That is the way we are going to get rectification of abuses. It is the most forward step the committee has ever taken with reference to O. P. A.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. IZAC. The committee bill refers to "peculiar circumstances." What is the Administrator going to do in interpreting that? In my amendment we say definitely what he must do in four particular cases.

Mr. WRIGHT. As I recall the reading of the gentleman's amendment, it said that he must consider these facts. Is that correct?

Mr. IZAC. That is correct.

Mr. WRIGHT. The mere fact that the Administrator is to consider something does not mean that he is going to make a resolution of those matters that he considers.

Mr. IZAC. Does not the gentleman believe that any administrator or administrative agency should follow the intent of Congress when Congress states definitely what he should do?

Mr. WRIGHT. Certainly; but they did not administer everything under the original bill or interpret the intent of Congress under the old bill as we thought they should.

Mr. IZAC. But these represent the cases where relief is most urgently needed.

Mr. WRIGHT. I want to say that in my opinion the rent control—it may have been harsh in some instances—has been the most effective of all controls; in other words, there has been no increase of rent and there has been no increase in prices. Some people may have been hurt, but generally the people have not been hurt by rent control.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. FORD. What I am afraid of about the amendment is that it sets up specific things in the law and that that is all they will do; you are limiting the things they will do; and that is not good legislative practice.

Mr. WRIGHT. The gentleman feels that the procedure prescribed is too rigid and does not give the administrator the right to consider other factors

which may be of aid to the property owner.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Briefly; but my time is running fast.

Mr. OUTLAND. For the information of the House may I ask the gentleman from California [Mr. Izac] to explain the last of the three qualifications in his amendment?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from Oklahoma [Mr. MONRONEY] is recognized for the remaining 5 minutes.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, this probably will have more effect on the cost of living of every individual in the country than any other amendment that could be proposed, because it deals with one single certain factor, and that is rents, which comprise on an average 20 percent of the consumer's income and the consumer's expenditures.

We cannot throw this wide open. Bear in mind the committee gave careful attention to trying to rectify legitimate, honest-to-goodness hardship cases; we recognize that many, many individuals were squeezed unjustly and unduly by too-close adherence to rigid formula, so in the committee we took particular pains to make it possible to open up these hardship adjustments to take care of such deserving cases. But in the amendment that is proposed by the distinguished gentleman from California I fear you throw the doors wide open where you not only take in hardship cases, but you make it impossible to hold the line on a great, great many more rental cases.

The real estate boards that were before our committee and the representatives of the landlords association told us their estimate was that about 10 percent of the rentals were in a hardship position, and that is what the committee endeavored to correct. The amendment offered provides that raises shall be made in the rent in those cases where after a certain date substantial increases in taxes or operating costs have occurred. That sounds perfectly plausible, but why not say "net increases"? This amendment does not take into consideration the fact as was testified to before our committee, that thousands and thousands of landlords have enjoyed 20 percent increases in their revenue and their income, although their rent ceilings have not been raised. They have enjoyed this increase because they have avoided the large loss through unoccupied apartments. So this amendment does not take into consideration the net increased cost and the amendment surely should be drawn in that way.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. Not now; I have not time.

Furthermore, many, many apartment jobs and home jobs will require new roofs, they will require new heating systems, they will require these improve-

ments that will all come in a lump sum in 1 year. In many cases the landlord's accounting system provides that and so they could have ballooned into 1 year an almost complete remodeling job.

I am going to skip to the last one, the one I think is the most dangerous:

In multiple dwellings cost raises shall be given for rents which are lower than comparable housing accommodations in the same premises.

How would you measure a view of Lake Michigan? How can you tell which way the prevailing winds blow in an apartment or whether the odor from some manufacturing plant is worse on the south side or the north side of the building? And yet this amendment directs the Administrator that he is not going to adjust on the basis that the old free competition has adjusted it and give the higher rent to the more valuable and best apartment, but you are going to base it on comparable housing, and a court would interpret that as floor space.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. IZAC. The gentleman will notice that we give no advantage to the owner here that we do not give to the tenant and vice versa. The gentleman is talking all the time about not holding the line in housing. That is just what we are attempting to do, be fair to both sides, which is not in the law at the present time or, if it is, the Administration will not let it function.

Mr. MONRONEY. The gentleman's amendment provides that multiple unit premises shall be adjusted if the rent is lower for comparable housing.

Mr. IZAC. Certainly.

Mr. MONRONEY. And that would force them up to the highest price line in that bracket, would it not?

Mr. IZAC. If there are two apartments renting for \$30 and six others renting for \$50, it is because those two were caught in the middle of the year before they could be adjusted. In that case they should be adjusted because everybody in that apartment house is going to want to go down to the \$30-a-month apartments.

Mr. MONRONEY. Suppose the condition is reversed and you have two or three apartments?

Mr. IZAC. We say "under comparable conditions."

Mr. MONRONEY. Are you going to adjust downward these high rents, too?

Mr. IZAC. Certainly.

Mr. MONRONEY. The amendment does not say that. It is a very dangerous amendment; it is not carefully drawn, and you will destroy rent control if you adopt the amendment.

The CHAIRMAN. The time of the gentleman has expired. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from California [Mr. Izac].

The question was taken; and on a division (demanded by Mr. SPENCE), there were—ayes 96, noes 67.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to include as part of the remarks I made in the committee this afternoon a letter on rent control from the Office of Price Administration.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. OUTLAND]?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article appearing in the Times-Herald of yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. FLANNAGAN]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on four different topics and in connection therewith to include certain magazine articles and newspaper excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. COFFEE]?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. VURSELL asked and was given permission to extend his own remarks in the RECORD.)

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION OF ROLL CALL

Mr. BATES of Kentucky. Mr. Speaker, on roll call 83 I am recorded as being absent. I was here and answered to my name and I therefore ask unanimous consent that the RECORD may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. BATES]?

There was no objection.

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to revise and extend

lems be solved entirely by England and Russia, and a 20-year alliance has been made looking in that direction. The idea is current in Washington among well-informed circles that Europe is to be divided into spheres of influence, Russian to the east and British to the west. Certainly, the attitude of both England and Russia looks more in that direction today than it does toward any bona fide league of equal and sovereign nations. Both England and Russia would like to have the United States in a tripartite alliance. Churchill on May 24 spoke of a "fraternal association of the British Commonwealth and the United States" and made it sound a good deal more like an alliance than any vague ideal of "hands across the sea." He spoke of these American and Russian alliances as being within the framework of an association of nations.

My own view is that such an alliance policy absolutely destroys the hope for a real or a successful association of nations. The idea of such an alliance is to make it so strong that no one can challenge it successfully. It becomes, therefore, the old balance of power policy. That policy was not a successful insurer of peace.

The very existence of an alliance inevitably creates another alliance. It would cut us from our Latin-American good neighbors. Certainly England and Russia and the United States will have the most powerful military forces in the world for many years to come. Their support of a league as individual members is essential to its success; but the moment they make an alliance they subordinate the league to their interests, and relegate it to a secondary position. They substitute an ideal of force for a rule of law. In effect, a world dominated by a three- or four-power alliance is not a free world. We cannot maintain our freedom permanently by destroying the freedom of others. We must guard against the tendency to continue the arbitrary power of the three great nations which is necessarily acquired during wartime. There is some indication that even now we are inclined to use this power arbitrarily and selfishly. I believe that we are engaged in bullying the neutrals to an extent which we would bitterly resent if we were neutrals, and the same methods were used on us. In refusing to take any measures toward the relief of starving children in the occupied countries, we have shown little indication of our ability to use power unselfishly. History shows that power once acquired is reluctantly relinquished.

The strange thing about this development is that it is at complete variance with the views of Secretary Hull. He made it clear in his speech of April 9 that no conclusions of the large nations would be accomplished without the participation of the other United Nations. He has repeatedly used language which excludes the idea of alliances. Thus, in the strange manner of the present administration, we have two conflicting policies carried on by different departments of the same Government. Surely the people are entitled to know what our real foreign policy is.

Beside the President's acquiescence in the Stalin-Churchill intentions, the New Deal philosophy which animates so many Government officials today looks with great favor on the idea of regulating the affairs of the world and of other nations, just as it favors the regulation of the farms and the homes and the businesses of the American people. The world is too dumb to understand, and a small group of brain trusters must manage its affairs. We have seen little glimpses of this tendency in the Arabian pipe line and various plans for somewhat distant military bases. The twentieth century, they say, is the American century and it is our manifest destiny to rule the world.

I do not believe the American people will ever stand for such a policy. They want this war won, and they want the boys home again

just as soon as they can get home. They don't want to run the world, and the boys don't want to run the world. They see no reason for occupying Germany after every military weapon has been destroyed. If any policing job is to be done in the future, it should be done by a volunteer force recruited for that purpose.

Incidentally, I don't see any basis for universal military service. The very purpose of this war, and of the peace to be made hereafter, is to prevent a condition in which America shall become an armed camp and be diverted from the progress, the liberty, and the pursuit of happiness for which this war is being fought on six continents. I see no reason why all the men required to carry out our defense and our share in enforcing peace should not be recruited on a voluntary basis if adequate pay and advantages are given. I believe it is important that the President make it perfectly clear that when this war ends it really does end and that we give up any idea of ruling the world or telling other countries how to manage their own affairs. We do not propose to make the United States part of any world state and have our laws made for us by others. Nor do we intend to make their laws for them. Our plan is founded on the sovereign equality of all peace-loving states. We believe that a successful peace can only be based on that foundation. If England and Russia are to divide Europe between them, I see no choice for us except to let those two countries attempt by force to insure the peace of Europe, while we confine ourselves to associations of sovereign nations in North and South America and the Far East banded together to insure peace.

Many efforts have been made in the past to insure permanent peace in the world. There is no lack of desire or determination to bring that about. The day for propaganda and pious declarations in favor of international cooperation is over. What we need now is:

1. Definite steps to persuade England and Russia to join in making a political settlement which will give freedom to those peoples who are capable of self government and desire freedom.

2. A definite plan for world trade which will eliminate economic injustice.

3. A determined stand against those who propose that the United States, with or without allies, shall dominate the world under perpetual New Deal dictatorship with steamlined W. P. A., and deficit spending.

The time has come when the American people should insist on these principles. There isn't much hope for permanent peace as long as the administration rejects them. Apparently the President's method of preventing a third world war is to satisfy, at all costs, the demands and self-interest of the large and powerful nations. If that is the foreign policy of the United States, there will be no permanent peace. Neither will there be, in the meantime, any freedom in the world.

Extension of Emergency Price Control Act of 1942

SPEECH

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend

the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. MONRONEY. Mr. Chairman, I enjoyed, as I know all of you did, the speech of the gentleman who has just addressed us. In fact, I wish we could hear more about these regulations in reference to fruit cake and perhaps many other statements, regulations, interpretations, or memoranda that have been issued. I expect that others, sitting in criticism of the acts of Congress, would be able to point their finger at almost as many ambiguities, hard-to-understand phrases, and legalistic paragraphs as we could point to in the regulations involving highly technical subjects that must be passed out to the trade in this most complicated and complex economic machinery of ours.

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Mr. MONRONEY. Mr. Chairman, I want to apologize to those of you who were called at this late hour to hear me talk, and to assure you that the quorum call was not made at my request or at my desire.

At the time the quorum call was made I was mentioning the fact that the distinguished gentleman from New Jersey [Mr. HARTLEY] had spent considerable time before this House in one of the most entertaining talks I have ever heard on the floor. He discussed at great length the regulation prepared by the O. P. A. determining how to make fruit cake.

ENJOYED PRESENTATION

I enjoyed this and I know the members of the committee enjoyed it. But I do believe we could pick out many, many sections of legislation passed by this House, involving transportation, taxation, judicial procedure, and other things that are almost as difficult to understand and that appear almost as ludicrous as do these highly technical regulations which mean something to men of experience in that technical line as the O. P. A. prepares them.

The gentleman from New Jersey [Mr. HARTLEY] was spending a great deal of time discussing the personnel of the O. P. A. On that score I would like to take up this discussion a little further and, thanks to this intermission, I have

had a chance to check some of the statements made on the floor. The gentleman from New Jersey [Mr. HARTLEY] said that Dr. Holy, former Director of the Textile Price Division, had been kicked upstairs after Congress adopted the "college professor amendment." This is an error, I am informed, because Dr. Holy has left the employment of the O. P. A. and is no longer employed in any branch or in any capacity there.

COLONEL HOUSTON CASE

The gentleman from New Jersey [Mr. HARTLEY] also made the direct charge that Col. Bryan Houston, in charge of the Gasoline Rationing Division of O. P. A. had been removed because of the desire of some attorney in the rationing section, whose name I cannot recall, allegedly with certain tendencies not compatible with this Government, to force him to leave the Office of Price Administration.

I would like to read a portion of a letter signed on May 31, by Col. Bryan Houston:

I am informed that Mr. HARTLEY of New Jersey has stated before your committee—

This was before the Committee on Interstate and Foreign Commerce of this House—

that I was forced out of Office of Price Administration. The fact is that I left that office in response to War Department orders, which were issued in spite of Mr. Bowles' request that I remain with his organization. I recommend the appointment of Dr. Charles S. Phillips as my successor.

CAN TRUST WAR DEPARTMENT

I do not believe any of us would suspect for a minute, and the facts in the case show the ridiculousness of this charge, that any allegedly communistic attorney could have any influence on our great War Department in ordering this valuable officer back to duty.

So I presume we must let most of these charges stand on the proof that is offered.

I do not know Professor Tippet who was mentioned as having charge of the selection of rent-control administrators throughout the Nation. He was charged with strange ideas of government. But I do know that in my State someone in O. P. A. has picked some mighty good members of the Rotary Club and other civic clubs to run that office of rent control, and the endorsements by leading citizens of these men have proven the wisdom of most of those selections in my section.

So if we are going to consider price control on the basis of attacks of this kind I believe we are going to wind up by riddling our act.

JOB MOST DIFFICULT

I do not believe it is possible for any organization that is set up in a short period of time, that is pioneering in a brand-new field, a field that is the most difficult in the world to understand, could be perfect.

We knew, Mr. Chairman, that we could not collect any set of brains in Washington that would be big enough or all-knowing enough to run this economy of ours. That is the reason why you and

I and all Members of Congress have insisted that the Government could not run our economy.

But then when we found ourselves forced because of the exigencies of war, forced because in the history of this Nation in every war we have ever been engaged, we have suffered from devastating inflation; when we see ourselves faced with this condition that we know will happen if we do not do something about it—then is it unreasonable to expect that the very thing that you and I knew would happen did happen?

CANNOT WORK SMOOTHLY

We knew they could not run this Nation's economy smoothly and it has worked out like we knew it would work out. We have had 2 long difficult years under men who were not as efficient, who were not completely in sympathy with making price control work smoothly and effectively, but gradually out of lack of experience has come experience; gradually out of an abuse of power has come an understanding and cooperation with business.

Almost every witness, and at this time I do not recall a single one who did not, who appeared before our committee was asked if he thought Chester Bowles had done a good job, and the answer almost unanimously—as I say I cannot remember a single dissent—was: "Yes; he has done a fine job; he has improved the administration and the working of this office a thousand percent."

RENEWS CONFUSION

But here we are faced now with taking a law that business and the public and the O. P. A., if you please, has learned to live with—they have issued thousands of necessary regulations under it, the people affected by it; business all the way from the manufacturer down to the little corner grocer has finally gotten over this terrible dislocation of trying to digest and understand and meet the errors, the mistakes, the lack of know-how that occurred during the time we were trying to get used to making price control work.

ASKED TO TEAR DOWN

But here now before the House of Representatives we are asked to tear down that law, practically tear it up, the law that has worked so effectively, the law that industry and Government has learned to work with, tear it up and place into the law amendments and put around the neck of business something that no Member of this House, no matter how they have studied this question, can say how it will work.

The committee has, I feel, recommended some very fair and fine amendments. I am not completely in sympathy with all of them, but I will say that the members of this committee after 40 days of morning and afternoon study considered these in the light of two things: One, what effect will it have upon maintaining our stabilization program; and, two, what effect will it have on industry?

CAN STABILIZE PRICES

When we got through we had the bill amended to the point, I believe, where O. P. A. can live with the bill and keep

their program of stabilization; and I feel that industry will find themselves very well pleased with the amendments that we have written into the bill.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I will yield when I complete my statement; I hope the gentleman will not insist.

Are we now, during a time when the European invasion has just started, when the war has reached its climax, going to tear up and knock out the foundations and the cornerstones of a system that has held the line against price increases during a most difficult year in our war history, a year when governmental expenditures exceeded \$90,000,000,000 largely for war?

DO NOT DARE EXPERIMENT

I do not believe we dare experiment and change a system that has proven useful; for if you do, bear in mind as we make these changes, if we should make that mistake, you will meet not only the complaints of the consumers whose costs of living will be moved up almost overnight, but you will meet again thousands of complaints of business unfamiliar with regulations that must be changed. Bear in mind, if you change a paragraph number of the regulation that means many new regulations have to be issued.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman from Oklahoma 3 additional minutes.

Mr. VURSELL. Mr. Chairman, will the gentleman yield now?

Mr. MONRONEY. I have taken but 15 minutes out of 9 hours' debate, and I did not interrupt any person on the other side of the aisle. I hope the gentleman will let me finish my statement.

As I was saying, we must take the responsibility of the dislocation that will occur by forcing thousands of new price orders simply because we have changed the number of a section or because we may have changed a small bit of language in this bill.

So the smart thing to do if you do not want to cause dislocation in industry, if you do not want to run up the cost of living of people who have learned to live under this is to pass the act as nearly intact as you feel people can live under it.

I do not believe this House intentionally wants to weaken price control. Every witness who appeared before the committee said he wanted price control continued but; and there was always the "but"—"our price is not quite high enough; this regulation is too restricted." Over 200 amendments were brought before the committee. If you knock holes in this Price Control Act to take care of every ache and pain in our economy you are not going to have price control.

BUSINESS NEVER SERENE

I am a small businessman. In my 15 years of business experience I can never remember a time when my path as a businessman was a bed of roses. It is true I did not have Government setting my price ceilings, but I had Sears and Roebuck setting my price ceilings. The

apartment owners who are today complaining against certain rent ceilings never had Government setting rent ceilings, but they had a hundred or a thousand and vacant apartments setting their rent ceilings.

Yes; business has always had price ceilings that were set by the law of competition, and now because of a war boom in many defense areas, because of war requirements that have sucked away from civilian supply necessary equipment and necessary materials to make civilian supply, those restrictions of competition have to be supplanted by artificial controls which we know as price control.

I say it would be a great injustice materially to damage this act and I believe that we as intelligent Members of this House ought to apply to any complaint that is made against price control the test offered by this simple gag that has been so often repeated: "There is nothing the matter with price control that a 10-percent increase will not correct."

If the complaint falls within that bracket, and a great many of these complaints do, then you may be sure that the amendment is a price-increasing amendment.

This is no time to raise prices, because if you raise them on one thing you are going to open gates. You cannot let through your own little lamb that is waiting on the other side, but the whole flock is going to stampede through. Our economy is like a jigsaw puzzle; it is difficult, it is interlocked, it is the most complicated machine in all history. If you enlarge one little piece of this jigsaw puzzle by 10 or 15 percent it will not fit back into the economy of the country unless you enlarge the rest of the jigsaw puzzle proportionately.

CORRECTS ADMINISTRATIVE ILLS

We have tried to answer most of the complaints that were made before the committee and I might say that about 95 percent of the complaints were of administrative matters purely. If we had written into the law every request to correct administrative difficulties we would have had a law much larger than the New York Sunday Times; but we realized that no good law could be passed that bad administration would not ruin, and that no bad law could be passed that good administration would not improve. Because we are delegating a vast power to a governmental agency to make rules and regulations and set prices having the force and effect of law, we provided in this act that the two Houses of Congress that have studied this question for over 3 years should continue to study it, should continue to investigate the activities of O. P. A. and of the effectiveness of the stabilization program. Thus these committees that have the right to report to this House remedial legislation if these things are not corrected, continue as the people's representatives, and to insist on not only adequate price control but to prevent abuses of authority or any deviation from their legal authority.

The Growth of Administrative Process

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. MUNDT. Mr. Speaker, under leave granted me by the House, I am herewith calling to the attention of the Congress and the country a discussion which should be read by every thoughtful American.

This article appears in the July issue of the *Women Lawyers Journal*. Its author, Adele I. Springer, is a member of the New York Bar and is chairman of the Committee on Administrative Law of the National Association of Women Lawyers.

In the final paragraph of this article is found the following words which I hope will stimulate careful study of the entire article by citizens interested in preserving our Republic and its formula of self-government which has served us so well for so long:

The very survival of our institutions, including political democracy and private enterprise, depends, in the post-war period, upon our regulation of the Federal administrative agencies, a restoration of the checks and balances of the Constitution, and the preservation of a rule by law instead of a rule of men.

The article follows:

THE GROWTH OF ADMINISTRATIVE PROCESS

(By Adele I. Springer, member of New York bar; chairman, committee on administrative law, National Association of Women Lawyers)

When the American Bar Association first proposed legislation to regulate the procedure before administrative agencies of the Government,¹ an article in support at that time² quoted a decision of the court of appeals at Breslau, Germany, as follows,³ with an admonition against it happening here:

"The courts have no right to decide on the political acts of the administration. Today's constitution is governed by the principle of political leadership."

Those significant words are here repeated in the light of a parallel statement made recently by the Attorney General of the United States⁴ that:

"In time of war no court should attempt to substitute its judgment for that of the Executive."

A reminder is therefore timely that a similar declaration by an autocratic state was made, not only as aforesaid but also as follows by the Reich Commissioner for Justice in his statement on the extinction of the principle of separation of powers:⁵

"There is today only a single power in Germany. That is the power of the leader."

To accept such definition of wartime law, as proposed by our own Attorney General, would be tantamount to adopting the principle declared by the Reich law leader, Dr. Hans Frank, when he laid down as the new commandment for lawyers and judges, in 1936, the following test:⁶

"The party program is a guiding line for decision. Say to yourself at every decision which you make, 'How would the leader de-

cide in my place?' Then you will have a firm, iron foundation."

Has it begun to happen here?

The aforementioned remark of our Attorney General has stirred the public mind as never before to a realization of the dangers inherent in the growth of bureaucracy and notably intensified the public demand for administrative reform.

The limitation of Executive powers was strongly urged at the Constitutional Convention in 1787 by Gouverneur Morris, a delegate, with the following warning:

"The mind of man is fond of power; increase his prospects and you enlarge his desires."

Other great charters, Magna Carta and the Bill of Rights, had placed limits upon the power of kings.

The exercise of increased powers by the Executive in recent years, as administered by the numerous boards, departments, authorities, and commissions, gives rise to a reminder that the framers of our Constitution believed liberty depended upon the separation of powers. The declaration by James Madison, father of the Constitution, bears reiteration:

"You must first enable the government to control the governed, and in the next place oblige it to control itself."

Today the governed are conscious of Government control in the daily administration of their personal and business affairs, exercised by Federal agencies to an unprecedented extent never visualized by the framers of the Constitution. The administrative process, in its direct impact, now reaches far more people more intimately and more vitally, than do the judicial and legislative branches of our Government. As such regulation expands into wider fields of economic activity, public interest in administrative operation multiplies. Not many decades ago the average citizen scarcely was aware of the functioning of our Federal Government. We are now a long way from Jefferson's doctrine, "That government is best which governs least."

The development of modern administrative regulation can be traced through the evolution of the past century. The past decade witnessed its more rapid growth, as the result of economic reforms occasioned by the depression. Many economic and social concepts may change, however. The granting of such all-inclusive power to the executive branch of the Government established a precedent which, it must be recognized, may eventually be used for reactionary as for liberal purposes. The Supreme Court of the United States had occasion to remind an agency,⁷ that:

"The philosophy that constitutional limitations and legal restraints upon official action may be brushed aside upon the plea that good, perchance, may follow, finds no countenance in the American system of government."

The great issue, therefore, is the danger of this new absolutism of administrative expediency as against the historic experience which lies behind the tripartite division of power, fundamental in American constitutional law, and which has served as the bulwark of our liberties.

The question and answer are found in Jefferson's admonition:

"What has destroyed liberty and the rights of man in every government which has existed under the sun? The generalizing and concentrating all powers into one body."

The situation thus calls for a restoration of balance.

The number and variety of administrative agencies now in existence and their different

See footnotes at end of speech.

See footnotes at end of speech.

procedures, can best be realized by a review of their development.

For a period of 143 years from 1789 to 1932, such Government agencies totaled about 15, excluding the emergency agencies of the First World War. For the 7 years from 1932 to 1939, at least 51 new Government agencies emerged. The years from 1939 to the present time witnessed the addition of many more agencies, necessitated by the period of war emergency.

The first major regulatory agency of the Federal Government was the Interstate Commerce Commission, created in the year 1887. Then followed the Food and Drug Administration in 1906, Postal Savings System in 1910, Federal Reserve System in 1913, Federal Trade Commission in 1914, National Advisory Commission for Aeronautics in 1915, United States Tariff Commission in 1916, also the Shipping Board in 1916, predecessor of the present Maritime Commission, Federal Power Commission in 1920, Federal Intermediate Credit Bank in 1923, War Finance Corporation in 1924, also in 1924 the Inland Waterways Corporation and the Board of Tax Appeals, and in 1926 the Railroad Adjustment Board and the Federal Radio Commission.

During the ensuing period, from 1932 to 1939, there was, first, the Reconstruction Finance Corporation in 1932. The following year, 1933, witnessed the addition of fourteen: the Farm Credit Administration, Civilian Conservation Corps, Federal Emergency Relief Administration, Tennessee Valley Authority, Agricultural Adjustment Administration, Home Owners' Loan Corporation, Federal Home Loan Bank Board, Public Works Administration, Federal Deposit Insurance Corporation, Export-Import Bank of Washington, Federal Surplus Commodities Corporation, Executive Committee on Commercial Policy, National Emergency Council, and Central Bank for Cooperatives. In 1934 an equal number of 14 were added: Federal Farm Mortgage Corporation, Securities and Exchange Commission, the Commission on Trade Agreements, Foreign Trade Zones Board, Federal Communications Commission, National Mediation Board, the Committee for Reciprocity Information, Federal Housing Administration, Federal Committee on Apprenticeship Training, Federal Savings and Loan Insurance Corporation, National Power and Policy Committee, Federal Prison Industries, Inc., Federal Savings and Loan System and Railroad Adjustment Board. In 1935 an almost similar number, 13, were created: RFC Mortgage Company, Resettlement Administration, Works Progress Administration, National Resources Committee, National Youth Administration, Rural Electrification Administration, National Park Trust Fund Board, National Labor Relations Board, Social Security Board, Electric Home and Farm Authority, Prison Industries Reorganization Administration, Federal Alcohol Administration, and National Munitions Control Board. In 1936 the United States Maritime Commission was established. In 1937 there were 2 added: Disaster Loan Corporation and Railroad Retirement Board. In 1938, 6 more were created: Civil Aeronautics Authority, Maritime Labor Board, Federal Crop Insurance Corporation, Federal National Mortgage Association, United States Film Service, and the Radio Division of the National Emergency Council.

All the foregoing regulatory agencies emerged before the critical state of international affairs introduced the defense program and war agencies, such as the subsequently established War Production Board, Office of Price Administration, and the many other agencies directing wartime production, allocating scarce resources, or regulating prices. These latter, being of a temporary nature, are segregated, in a consideration of this subject, from the previously entrenched agencies of permanent form. The extensiveness of control by the war agencies nec-

essarily surpasses the pre-war controls. These war agencies have enveloped almost all business affairs in a net of complex administrative regulation. Such wartime control has left virtually no aspect of economic affairs unaffected. Many of these new controls may be retained in the post-war period, however. The widespread character of Government regulation, therefore, constitutes the public's greatest problem.

Today, such regulation is accepted as inevitable. The current public attack upon bureaucracy is not upon its necessity or feasibility but upon its procedural aspects.

The procedure followed by these various agencies differs widely. It ranges from an adjudication by the single head of an executive department, who may act with or without a hearing in his discretion, to formal hearings on notice before a commission or board, with or without a preliminary investigation. Ordinarily, the courts may review any final administrative action in some prescribed way, and may not review the facts if the agency has offered "substantial" evidence to support its findings. Some agencies are not subject to any judicial review whatever. Of the 49 regulatory agencies appraised by the Attorney General's Committee on Administrative Procedure in 1940, 33 operated within the framework of a department or agency, their activities differing from those of independent commissions.

A simple illustration of unnecessary chaotic Federal administrative procedure is the matter of admissions to practice before the various agencies. A committee of the District of Columbia Bar Association reported in 1938 that about 30 administrative agencies each regulated for itself admissions to practice and the disciplining of attorneys appearing before it.

No less a consideration is the cost to taxpayers of maintaining the administrative hierarchy with millions on the Federal pay roll whose wages total more than \$5,000,000,000 a year. The cost of bureaucracy cannot be measured by Government pay rolls and taxes alone, but embraces also a stupendous invisible tax. The cost to business is enormous in the value of the time of executives and hire of clerical and professional help to fill out the numerous Federal forms annually returned to many different Federal agencies.

A review of the operation of such administrative agencies discloses generally an increasing assumption of unlimited powers and of unhampered discretion, a continued tendency to impose and enforce their own policies irrespective of the legislation creating the agency, with a frequent disregard of the citizen's rights, without adequate notice or full hearing, and little opportunity to meet the charges.

Although from earliest times our common law has denounced the performance of a multiple role in a case as judge, jury, investigator, prosecutor, and executioner, we find the same administrative tribunal not only making the complaint, investigating its own complaint, conducting a hearing by its own prosecutors before its own trial examiner or its own hearing commissioner, and rendering its own adjudication of the case and its enforcement measures. Such proceeding would not be tolerated in a court of law, yet, such variance from the constitutional guaranties of due process have become an established part of our administrative process. A high-ranking representative of the executive branch of our Government has even gone on record that, "We have over-emphasized what might be called political or Bill of Rights democracy."⁸ This, notwithstanding Jefferson's specific incorporation of a Bill of Rights into the Constitution. The warning of Woodrow Wilson may well be heeded, that—

See footnotes at end of speech.

"The history of liberty is a history of the limitation of governmental power, not the increase of it. When we resist, therefore, the concentration of power, we are resisting the processes of death, because a concentration of power is what always precedes the destruction of human liberties."

The great need for administrative reform in recent years was recognized by Congress when it passed by a large majority vote the Logan-Walter Administrative Law bill,⁹ sponsored by the American Bar Association and supported by the National Association of Women Lawyers, among others, and endorsed by various business, labor, farm, and civic organizations and by numerous State, city, and local bar associations, but which was vetoed by President Roosevelt. The Logan-Walter bill, drafted by the then Special Committee on Administrative Law of the American Bar Association under the chairmanship of Col. O. R. McGuire, represented an attempt to standardize procedures and to augment the opportunities to litigate against governmental action.¹⁰ As described by the Senate Judiciary Committee,¹¹ it provided "means and methods whereby the Governors may be governed and the regulators regulated." Although vetoed, it blazed the trail for such future legislation. It also gave rise to the appointment by the President of the Attorney General's Committee on Administrative Procedure, which, after intensive study for 2 years, reported that further study of existing practices was essential for the welfare of both the Government and the public.¹² The Attorney General, after admitting many of the evils, concluded: "The house of administrative justice must be set in order now, not when the problems have run beyond us."¹³

During the last few years State legislative bodies, as well as national, have displayed an active interest in the procedures of regulatory agencies. Laws regulating practice before commissions have been passed or proposed in several States. In New York the Association of the Bar of the City of New York recently adopted unanimously a resolution recommended by its special committee on administrative law, calling for the establishment in the executive department of a division of administrative procedure, as an aid in the continuous improvement of the administrative process in this State. Such recommendation has also received the formal approval of the New York State Bar Association.

The problem now confronting us is the extent and form of simplifications and procedural improvements in the Federal administrative process.

Among the many recommendations made in recent years is the proposal for an office of Federal administrative procedure, patterned after the Administrative Office of the United States Courts, as headquarters for the correlation of the procedural experience of all the administrative agencies. The Attorney General's committee was impressed with the need for a clearing house of information concerning administrative procedure, to accomplish greater uniformity.

In the interim, a new bill to prescribe fair standards of administrative procedure has been drafted by the present special committee on administrative law of the American Bar Association¹⁴ and unanimously approved by the house of delegates at its mid-year meeting. The basic purpose is the same, to crystallize administrative regulation.

There is not space here to enter into a discussion of the particular provisions of this new proposal for legislation. Generally, it provides for the right to a full hearing to all parties before any determination is made; that hearings and decisions be conducted in such manner as to preclude any secret reception of evidence or argument; that nothing to be used against a party's interest be withheld from his inspection and that an

See footnotes at end of speech.

contributed to the passage of the Hatch clean-politics law. Among other things, it revealed that W. P. B. employees were being forced, on penalty of loss of their jobs, to vote for Senator BARKLEY, of Kentucky.

Small Business and Jobs

SPEECH
OF

HON. HARRY SAUTHOFF

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. SAUTHOFF. Mr. Chairman, everywhere one hears discussions about employment when this war is over. Jobs must be found for about 55,000,000 workers, and of course these workers could not long be employed unless a market was found for what they produced. However, employment, together with good wages, will insure a purchasing power that will give a market for the products produced by private enterprise.

JOBS

About 25 percent of the jobs in this country are normally in manufacturing. Of course, there are jobs in other fields that are indirectly dependent upon manufacturing. Nevertheless, to take care of the great number of required jobs, we have to look somewhere else besides the great manufacturing corporations. About 45 percent of the total business employment of the country is furnished by small businesses with fewer than 100 employees each. Of the 3,000,000 separate business establishments in the United States only about 3,300 employ more than 1,000 workers each. Therefore it is evident that small business is the backbone of the country in the matter of furnishing jobs, and it is necessary that small business be protected from destruction, not only by the competition of big business but also by Government regulation.

RECONVERSION

Economists in Britain as well as in the United States are generally agreed that there will be three separate periods following the war:

First. There will be the period of reconversion when unemployment cannot be avoided. What that will amount to we do not know, but the Bureau of Labor Statistics estimates 7,000,000 to 12,000,000 will be jobless during this reconversion period. Therefore speed is absolutely necessary to cut down this unemployment as much as possible.

Second. Boom period. It is estimated that by the middle of next year there will be \$194,000,000 worth of liquid holdings in the hands of business and individuals. That will furnish a purchasing power far beyond the wildest dreams of the most visionary inflationist. Hence,

there will be a necessity for some kind of control until the supply equals the demand.

Third. Overproduction. It is difficult to foretell what will be the result when production equals demand and goes beyond it. Then, of course, you have stagnation unless an outlet is found for surplus goods. Such an outlet to some extent might be found abroad. We could probably figure that 10 percent of our production might be disposed of abroad, but there again you come in conflict with the purchasing power of other countries. If such countries cannot buy our products, then there is no market. However, if foreign countries can sell us something so that they can also purchase from us, then we can hope to dispose of some of our excess.

To achieve this balance of trade with foreign countries, Secretary of State Hull has developed the reciprocal trade agreement. The reciprocal trade agreement is the best device yet discovered to achieve trade with foreign countries, but one danger is always present, namely, that the foreign purchasing country can only produce goods of which we already have a surplus, in which event we would endanger our own economy by making an agreement with such country.

AGRICULTURE

The question of employment and purchasing power bears intimately on the farm product. When you create high production and high employment you create markets for the farmers' produce, but here again we run into the difficulty of making reciprocal trade agreements with countries that can only furnish farm products which would depress the market for agricultural products in our own country. In other words, we would be selling manufactured goods to foreign lands at the expense of what the farmer produces and would thereby depress farm prices and leave the farmer the victim of an unfair agreement. Hence, it must be apparent that many difficulties stand in the way of achieving a well-balanced economy, but nevertheless I think it can be done, although dislocations will occur and adjustments will have to be made, not only during the present reconversion period but from time to time over a period of years.

CONGRESS AND SMALL BUSINESS

Congress has been aware of the fact that there has been a high mortality rate among small businessmen because of the war emergency, and Congress has been attempting to gather facts through investigations so as to make adjustments in the post-war period. The House created a Committee on Small Business on December 4, 1941. This committee has held 80 public hearings up to the present time and has heard 1,237 witnesses, covering many subjects. By the close of 1944 the committee will have spent approximately \$90,000 and will undoubtedly hear additional witnesses on a number of subjects which have not yet been explored. Many bills have been introduced as a result of these hearings which will no doubt receive committee hearings.

In addition to the above, the Senate has also established a committee to con-

sider the problems of the small businessman which has a much larger personnel than the House committee and has spent considerably more money. Also there was created an agency known as the Smaller War Plants Corporation which has been endeavoring to solve many of the problems of the small businessman, not only during the present war emergency but also in the emergency following the cessation of hostilities. Unfortunately, in the multitude of bureaus, commissions, agencies, and corporations set up by the Government there are many conflicts of jurisdiction and authority which do more harm than good.

To illustrate: In my district there are many small businesses. It is a wealthy agricultural district which contains some 35 plants devoted to the canning of vegetables. These plants could not possibly have turned out the large volume of business needed by our armed forces, by our agencies overseas, and for our own civilian trade unless they had a sufficient labor force to do the trick. However, they ran into the difficulty of being restricted to a low wage scale which made it impossible for many of the operators to secure sufficient help. As a result, the operators were confronted with the dilemma of either letting the crops rot in the field or violating the wage scale and saving this much needed food. Of course there were some violations. There had to be rather than to let the crops rot. The same condition obtained in cheese factories, condenseries, and other processing plants of dairy products. Milk is highly perishable, and either it had to be taken care of at once or poured down the sewer. As a result there were some violations of wage scale in these plants, but the food was saved.

Now, what has happened? I am advised that the Internal Revenue Department has refused to allow the wage deductions in income-tax reports of these plants; not only disallowed the wages paid above the scale but has penalized these operators by disallowing their entire wage payment in computing cost of production. One can readily understand the tremendous hardship such a ruling has imposed on many operators of small business.

Of course, big business has no such problem because big business is devoted primarily to war contracts, and secondly big business has the personnel sufficient to interpret the endless orders and regulations being constantly issued from Washington. As a result, big business has a decided advantage over the little fellow and is given an unfair advantage by the very Government which ought to protect the small businessman.

Mr. CRAWFORD. Will the gentleman yield?

Mr. SAUTHOFF. I yield.

Mr. CRAWFORD. We have a provision in the present O. P. A. law which authorizes the President to direct other agencies of government, including the Treasury Department, to say for instance that company A, cannot deduct from its gross income, in arriving at the amount to be taxable under the revenue laws, the wages paid to an employee in

violation of one of the regulations issued under the Stabilization Act.

Mr. SAUTHOFF. That is right.

Mr. CRAWFORD. So we ask our people to go out and labor day in and day out and bring to the markets vegetables ready to can, or milk ready to bottle, and then we say to them, "Now, if you go 50 cents beyond the regulation in hiring people to save that product, you cannot deduct it in arriving at the tax rate."

Mr. SAUTHOFF. Yes. The trouble is you cannot hire enough people without breaking it. And while we are on this subject, let me point out one thing more. Financial institutions, large and small, are crammed with money which ought to be working. Idle money is useless. Active money creates jobs and means prosperity. But money is timid, and no one will risk his money unless he is free from fear. This risk money should be put to work as jobs depend upon it. Much of the fear that drives this risk money into hiding is created by such foolish policies as that just mentioned. Conflicts between Government agencies should and can be removed so that the free flow of risk money and resultant commerce may be allowed to operate.

A case in point is the need for tires of the farm haulers and truckers who are going to be in difficulty this year unless their case receives special attention. A great many of these haulers use tires in sizes 8.25 x 20 and larger, and it is next to impossible even at this time to obtain such tires. What will happen is that in the hot weather there may be a breakdown in farm transportation due to a lack of tires.

CONCLUSION

Price control is imperative during this war emergency. Every intelligent person admits this fact even though he may criticize the manner in which it is done, and it is readily understandable that many annoyances and irritations arise from Government regulations. However, you have the choice of accepting either Government regulation or economic chaos, and of the two evils the former is preferable. In the earlier years of the Office of Price Administration, violent opposition was created, because there was too much personal egotism and too much trying out of pet theories to satisfy not only the producer, processor, and distributor but also the consumer. In the end Congress had to step in and assert itself by removing the irritation and thereby eliminating a large amount of the dissatisfaction. I think all of us are agreed that under Mr. Bowles and Mr. Brownlee the Office of Price Administration has made great advance, has reduced to a large extent the irritations and resultant complaints and has given due consideration to the various industries and the problems of such industries.

We all appreciate that regimentation and regulation by the Government are extremely unpopular and that when such regimentation and regulation is coupled with the intent to create national socialism, a powerful opposition is created to the whole movement of price stabilization. Mr. Bowles and Mr. Brownlee have removed, by their words and their acts, much of the fear engendered in the

hearts of not only businessmen but the consumers also that under the guise of war emergency all of us were to be goose-stepped for life. I believe that that fear has subsided and that we can safely, in fact must, continue this law not only for the period of the war emergency but also for the period of reconversion. I shall, therefore, support the bill.

Resolution Providing for an Hour of Prayer on D-Day

SPEECH
OF

HON. CHESTER H. GROSS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. GROSS. Mr. Speaker, on May 8 I presented House Resolution 536 dealing with certain activities for D-day. I feel it was a mistake that the Committee on Rules did not consider this resolution, because I am sure it would have met with the unanimous approval of the House.

On May 8 I addressed the House as follows:

Mr. Speaker, ever since the world began, men have turned to God for guidance when they realize their greatest needs. Never have they been disappointed. He has been pointed to as a mighty fortress by the great spiritual leaders of all time. He gives us strength for our bodies, rest for our weary spirits, and peace to our troubled minds. He can and will give us strength, grace, and courage to carry on now. His Son said the earnest prayer of a righteous man availeth much. Holy Writ records many incidents of mighty things accomplished by the united prayers and efforts of the people.

Apparently D-day is drawing nigh, and the hour of invasion may be any hour. Many communities have set aside the invasion hour to assemble in their churches to implore divine guidance and strength of arms to accomplish an early victory and bring about a lasting peace. Inasmuch as the Nation rightfully looks to this House for leadership, I am today introducing a resolution for the House to take appropriate action when the news of the invasion comes.

House Resolution 536, which I introduced is as follows:

Whereas we are engaged in a global war; and

Whereas the freedom of mankind throughout the world is at stake; and

Whereas nearly every home in America has loved ones in places of great danger; and

Whereas we believe in God and recognize His mighty power as well as believing in the justice of our cause; and

Whereas D-day or the hour of invasion draws near, and realizing the great sacrifice it will take; and since the Nation rightfully looks to the House of Representatives for leadership: Therefore be it

Resolved, That when the news comes that the invasion has begun if the House of Representatives be in session that an immediate recess be declared; the roll called to assemble the membership; and a period of 15 minutes be spent in prayer under the direction of the House Chaplain in order to have grace, courage, and strength to carry on in that trying and solemn hour for ourselves and our armed forces everywhere, as well as for an early

victory and a lasting peace; and be it further

Resolved, That if the House of Representatives be not in session, then the House of Representatives shall convene on that day at the accustomed hour for the purpose of carrying out this resolution.

Jackson Hole National Monument

EXTENSION OF REMARKS
OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. COCHRAN. Mr. Speaker, a very controversial issue has developed in reference to a bill, H. R. 2241, that has been introduced which would set aside the President's Executive order creating the Jackson Hole National Monument in Wyoming.

As a member of the Committee on Wildlife Conservation of the House naturally I am interested in this legislation. Recently our committee met to discuss the effect of the bill if it ever came up. It, of course, sets a precedent. Congress heretofore never passed legislation to abrogate any Executive order issued under the Antiquities Act of 1906 or the Historical Site Act.

In order to properly be advised so that I could meet the issue intelligently if the bill is presented to the House for consideration, I called upon the Department of the Interior for information, asking numerous questions. I have received an answer to my query, and under the permission granted me I include it as a part of my remarks. The statement follows:

JACKSON HOLE NATIONAL MONUMENT, WYO.

1. What is Jackson Hole National Monument?

Jackson Hole National Monument is a Federal reservation comprising 173,065 acres of Federal land in the northern portion of Jackson Hole, a spectacular valley on the headwaters of the Snake River in northwestern Wyoming. The national monument adjoins Grand Teton National Park. In addition to the Federal lands, the boundaries established for the monument contain 33,560 acres purchased by Mr. John D. Rockefeller, Jr., for donation to the Federal Government, and 16,304 acres of other private or State lands. The total acreage within the boundaries is 222,929.

2. Under what authority was this national monument created?

On March 15, 1943, the President issued a proclamation reserving these lands under the authority of section 2 of the act of June 8, 1906 (34 Stat. 225), which is as follows:

"That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided*, That when such objects are situated upon a tract

I repeat, again, Mr. Speaker, that the only way to control inflation and to get rid of rationing and price control is to have ample production of instead of controls. There are too many individuals in the several agencies of Government that would like to control and regiment everything from your shoe strings to your hair tonic.

It is my honest belief that with the conclusion of this war we must make every effort to abandon at once those controls which are not necessary. We must restore the American tradition of private enterprise and personal freedom. Our Government must encourage production and employment which will insure our citizens full freedom and the right to enjoy the fruits of their toil. We must remember that private enterprise can live and flourish only in freedom. We must have freedom from Government regulations, freedom from authority lodged in Washington. Peacetime functioning cannot be efficiently combined with wartime controls. The O. P. A. and the Office of Economic Stabilization should recognize these fundamental principles. The citizens must be freed from the plague of unexplainable, dogmatic attitudes frequently adopted by minor Government officials. Some one has said that "no law, rule, or regulation will work well unless we permit a little play at the joints." This is certainly true of the Government and man-made edicts now flooding the country.

American Youth Looks Toward New Horizons

EXTENSION OF REMARKS OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. COFFEE. Mr. Speaker, a young University of Chicago student delivered a remarkable address some months ago entitled "Toward New Horizons," at the graduation exercises of the Sullivan High School in Chicago.

In this speech, young Sheldon Newberger appraises the world and its problems, as he sees it, and makes certain keen and penetrating observations relative to current international developments.

This young man reveals a perceptive mind and exhibits a militantly liberal viewpoint.

I commend the reading of this address to those who would be interested in modern youth's reaction to the world today.

Here is his speech:

We have considered this evening some of the primary requisites for a lasting and just peace. We have discussed the Atlantic Charter with its idealistic statements about the future, and we have talked about the "four freedoms" which when put into effect will guarantee the very principles stated by Roosevelt and Churchill in August of the

year 1941. Yet, we have merely touched the great book that tells of the future of America and the world.

I have emphasized the word "world," because it is the whole world that we must think of if we plan now for future peace. We cannot any longer hide behind the cloak of normalcy—the shades of isolationism and declare that the affairs of China and India—and even little Luxemburg do not affect us. Starving natives in the East Indies affect the peace and security of the people of Chicago in the same way as did the Touhy gang when they escaped from Stateville a few months ago; and a depression-ridden Germany threatens the prosperity of the United States as much, as say a flood striking the cotton lands of the deep South.

We have had a tendency this evening to be idealistic. We have visioned the coming world in glowing phrases quoting glorious statements from world leaders. There are some people who protest against this. They call themselves the practical realists; they think we must win the war first and then bother about the peace; they feel that the sooner American boys get back from Africa and Guadalcanal and we get out of European affairs, the better off we'll be. Yet, these so-called realists are not realists at all; they are pessimists. They cannot see this war for what it is. They do not understand that winning on the battlefield and falling at the peace table is just the same as losing the war—that no longer can the American people say that the affairs of Asia and Africa and Europe do not concern them.

We, the youth of this world, are in the process of fighting a war. It is a horrible war, deadly in all its aspects, yet I may honestly say that the thought that inspires all our efforts is the hope that our children and our children's children may live in peace. Without this hope, what is there to fight for?

The future of this world will depend upon the genius of the peoples who inhabit it. It will depend upon a spirit of internationalism blessed with feelings of brotherhood and resolve. We are pioneers in the creation of peace, much as our forefathers were pioneers in the opening of the West. We will obliterate hate and greed and want in much the same way as they conquered the forests, the mountains, and the streams. We in truth are twentieth-century crusaders, striving valiantly for justice and the "four freedoms."

Specific plans have been presented for a post-war world. Our job, the job of youth, will be to consider them, to debate them, to make preparations now for the time when the last shot will be fired and the last bomb will be dropped.

This war must be a war without revenge. As much as the slaughtered Poles will want to kill the plundering Hun, and the American father avenge the death of his son—this war must be one to set the Germans, the Japanese, and the Italians on the right track rather than to destroy them. For if we force the peoples of the Axis to pay reparations, if we treat them as conquered nations, then we will merely find the whole world economy ruined, and future peace will be merely a passing dream. This is not a popular thing to say. Yet our first step must be one of charity and kindness, of firm resolve never to let this catastrophe take place again.

It might mean an international police force, whose job it will be to keep the defeated countries disarmed until they can once again join a council of nations. It could mean a system of education, of reopening the minds of the peoples of the Axis to the arts and the humanities, to showing them that a new world is beckoning for creative genius in the fields of technology and production. International committees to rule the defeated countries until their citizens are once again ready for self leadership may very well be one of the steps we

must take. A world federation, of all nations, in which each state will sacrifice a little of its sovereignty in return for economic and political security is another suggestion that deserves discussion and comment. A code and a court for international justice, a policy to educate and prepare the backward countries for independence, free world trade, all these are prospects for a glorious and free future. But, this future can only come to men with open minds—minds intellectually free to understand the changing world, and meet these changes with vigor and foresight.

We, sitting here tonight, cannot remain naive about the world to come. We cannot hide behind the parental blanket and hope to avoid the realities of the world. For the future of this country and all other countries will depend upon youth—on our sense of international responsibility and our determination to establish a society where everyone has the opportunity to work—not to make one man or one country wealthy—but to add to the enjoyment and prosperity of all men everywhere.

We are entering a great technological age. Soon there will be modern air-conditioned cars with high-compression engines able to go 50 miles on a gallon of gas. There will be streamlined family cruisers, boats as plentiful as autos are today. There will be air flivvers, helicopters, capable of landing everywhere, and taking one to Norway to spend the evening with some friends. There will be plastic factories and glass houses, in fact, things that today seem like dreams will be realities tomorrow. These will be the products of the inventive genius of the peoples of the world.

But, along with these great products will come social problems that must be solved. This will be the role of a dynamic, conscientious youth. Fresh from the battlefields of the world, we must make it so that the common man will have the security and income to enjoy these inventions, that a heretofore nonconsumptive population will become the great buyers of all the miracles of the coming age. We can only do this through the establishment of freedom from want, where man can eat and live in decent homes and have proper clothing; freedom from fear, where man can be secure from loss of work, where from the cradle to the grave, they can depend upon having the basic necessities of life.

If I were a dramatist recording the history of the present times, perhaps I would do it this way. The first act consists of those horrible years after World War No. 1; of the failure of the United States to accept the League of Nations, of false prosperity and the havocs of depression; of the rise of the Fascist States; of the failure in Ethiopia; in Spain; in Munich; to stop the Nazi hordes.

The second act would include this war; the courageous British at Dunkerque, the valiant Russians at Stalingrad; a fighting America that overcame the perils of a surprise attack on Pearl Harbor and began fighting, working, manning and arming the armies of democracy.

And, in the final act, I foresee the future—a glorious victory by the United Nations, because ultimately right always conquers the forces of evil. And then, the peoples of the world, led by an inspired youth, will begin their march.

This will be the heroic march of peoples bent on freedom, the march not only for political democracy, but for economic and social democracy as well. This will be the march that will lead to full employment, to an adequate diet for all, to security from the threats of illness, old age, and sudden depression. This will be the march that will mean for the sharecropper of California and the coolie of China, a decent home with proper clothing and a chance to work as freemen.

This will be the march of the youthful chemist and scientist toward creating products that will not benefit one man nor one class, but will aid all humanity. This will be the march of the industrialist who will recognize the rights of the laboring man and cooperate in producing goods for all. This will be the march toward world government, toward free trade, and a policy of enlightenment toward all the backward nations.

Yes, this will be the march, the inevitable march of the common man toward new horizons full of peace and justice and hope.

Andresen Amendments to Price Control Bill, H. R. 4941

EXTENSION OF REMARKS OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. AUGUST H. ANDRESEN. Mr. Speaker, under permission granted me, and for the information of the Members of the House, I am listing herewith five amendments which I will offer to H. R. 4941, the price-control bill, when I receive recognition by the Chair:

NO. 1

Page 3, line 5, after the colon, insert the following: "Provided further, That when the Administrator establishes a wholesale price on any commodity or article to be sold at retail, all retail distributors shall have the full benefit of the lowest wholesale price so established, and nothing in this act or otherwise shall be construed as authorizing the Administrator to issue any regulation or order which does not allow all retail distributors to compete freely in all commodities and articles of merchandise available for sale in every price line."

NO. 2

Page 11, line 6, after the last comma, insert the following: "nor to deny the allowance of a fair and equitable margin of profit for any given commodity, product, or class of a commodity or product."

NO. 3

Page 18, after line 22, insert: "SEC. 7. Effective with respect to proceedings instituted after June 30, 1944, section 205 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(c) Except as provided in subsection (f), the courts of the several States and Territories shall have jurisdiction of criminal proceedings for violations of section 4 of this act, to the extent, in the case of any such court, that such court would have jurisdiction if such violation constituted an offense against the State or Territory; and also have jurisdiction of all other proceedings under this section. In any case in which under the laws of a State or Territory, there is no court of such State or Territory which can exercise the jurisdiction of criminal proceedings or other proceedings, as the case may be, conferred by this section, then the appropriate district courts of the United States shall have jurisdiction of such criminal proceedings or such other proceedings, as the case may be. Except as provided in this subsection and in subsection (f) the district courts of the United States shall not have jurisdiction of any proceeding under this act instituted after June 30, 1944. No right, benefit, or privilege, the granting of which is under the control of the Admin-

istrator pursuant to this act, or otherwise, shall be denied, suspended, or revoked by reason of a violation of any law or regulation, unless such person has been convicted of such violation, or has been found to have violated such law or regulation in some other court proceeding to which such person is a party."

Renumber the remaining sections of the bill accordingly.

NO. 4

Page 21, strike out line 23 and insert:

"following new paragraphs:

"No action shall be taken under authority of this act with respect to an increase in any wages or salaries in any case in which such increase has been agreed upon by the employer and employee and will not result in the payment of wages or salaries at a rate greater than \$37.50 per week. For the purposes of the preceding sentence, if the employee ordinarily works overtime and extra compensation is paid therefor, such extra compensation shall be included in determining the rate of wages or salaries paid."

NO. 5

Page 22, after line 14, insert:

"Sec.—. Section 5 (a) of such Act of October 2, 1942, as amended, is amended by striking out the second sentence and inserting in lieu thereof the following:

"Effective with respect to wage and salary payments made after June 30, 1944, the President shall prescribe the extent to which the excess of any wage or salary payment made in contravention of such regulations over the portion thereof which would not be in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any law or regulation. In the case of a wage or salary payment made after October 1, 1942, and prior to July 1, 1944, the portion thereof which was not in contravention of regulations issued under this act shall not be disregarded or disallowed in determining the costs or expenses of any employer for the purposes of any other law or regulation, and, if already disregarded or disallowed, shall be allowed notwithstanding the previous disallowance."

Make Mediation Decisions Final

EXTENSION OF REMARKS

OF

HON. CHARLES W. VURSELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. VURSELL. Mr. Speaker, I want to commend the Banking and Currency Committee for writing into this price control bill, section 10, in which the committee provides that the decisions by the Railway Mediation Board, or such designated, settling matters of dispute between railroad management and railway employees shall be final when rendered.

If this amendment is approved by this Congress it will prevent the playing of politics and the shameful practices by those high in official authority here in Washington who, by their buck-passing and delay, caused a strike to be called by the railway labor men of the Nation which hurt the cause of railway labor organizations unjustly, during the latter part of last year and which brought

about a situation which gave the President of the United States an opportunity to seize the railroads all of which could and should have been avoided and which will be made impossible in the future if this amendment is approved by the Congress.

Members of this House will remember that for a year prior to the calling of the railway strike in December of last year through the Board set up for the hearing of such disputes every legal step had been taken as between the railway employees and railway management. The facts are the railway management recognized the railway employees were entitled to more money and the two groups had agreed upon the amount. At that point through the operation and on the advice of O. P. A. the matter was appealed to Director of Stabilization, Mr. Fred Vinson. He ruled against it on the theory that it might increase the cost of living. The President came into the picture and set up a new Board to make a restudy and a recanvass of the entire matter which had been restudied and recanvassed for an entire year and when the facts were brought in again Mr. Vinson offered some increases but wanted it done in his particular way which was inequitable to the men involved. It was at this juncture that the President seized the railroads, apparently in order to prevent a Nation-wide tie-up of transportation. After the railroads were seized and held for 48 hours they were turned back to the companies and a settlement was made with the men involved at as much or more costs than would have resulted from their contract had the matter never been appealed to Mr. Vinson, to Mr. Byrnes, or the President.

This amendment provides for the using of the Railway Mediation Board and other well thought-out plans for arriving at just decisions between railway employees and railway management growing out of collective bargaining.

It removes the possibility of delay in the future and the possibility of playing politics at the expense of the railway workers and railway management. It compels such disputes to be adjudicated and settled in an impartial way and in a way that has proven satisfactory in the past.

It is the right step in the right direction to settle labor and management controversies by sound principles of mediation which is so necessary to the economy of this country.

Organization of World War No. 2 Veterans, as Proposed by Charles G. Bolte

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. COFFEE. Mr. Speaker, a recent article by the eminent radio commentator and newspaper correspondent, William L. Shirer, appearing in the New

should be endured, if not actually aided and abetted. Thus, for the sake of expediency, we have justified our partnership with Badoglio and the King of Italy, with King George of Greece, with King Peter of Yugoslavia, with Vichy, France, for 30 months after the Republic of France collapsed. We accept Finland as a neutral, recognize her legation and Minister in our National Capital, though she is engaged in bloody conflict with our most powerful ally, the U. S. S. R.

We continue to allow Thailand to operate in the National Capital, through diplomatic representatives, though General Chennault's air forces are bombarding the capital of Thailand, Bangkok, constantly; and, unhappily, that country is used by Japan as the jumping-off place and outfitting point for expeditions against our own armed forces.

Furthermore, we grant visas to Americans to travel in Europe and participate in international banks, the majority of whose directors are Nazis. We are about to participate in an international exhibition in Barcelona, sponsored by the Fascist, Franco.

We pretend to believe that Franco is sincere and honest in his promise to reduce drastically his export of war matériel to the Nazis and Italian Fascists. I recall that the Japanese made similar promises before Pearl Harbor and that we were justifying our sale of vast quantities of war matériel to the Japanese by the argument that we must appease Japan and keep them from fighting us, the very same argument we now advance in an attempt to convince people of the logic of our sale of war matériel to a Fascist enemy of the United States, which is using us solely for its own purposes.

Here is an interesting article by Walter Winchell, which discusses the career of Juan March. This article is syndicated by the New York Daily Mirror and appears in hundreds of daily newspapers this week throughout the United States.

WALTER WINCHELL IN NEW YORK

THE LAST OF THE KING MAKERS—JUAN MARCH

Next to A. Hitler, Senor Juan March is the most dangerous man in Europe today. If his name means nothing to you now, it is only because his talent for keeping himself out of the papers is as great as his knack of picking up a dishonest million dollars and his genius for spreading misery in the world. More than any other man—not excepting his pal, Hitler—Juan March was responsible for touching off the explosion called World War No. 2.

Today Juan March, the richest man in Spain, shares control of the Iberian Peninsula with the big boys who own the Nazi cartels. His old, greedy fingers are in the mines and factories that supply Spanish coal, iron, copper, wolfram and mercury to the German war machine. He controls a big chunk of the "neutral" Spanish merchant fleet, which carries Nazi agents and Falangist propaganda to South America and returns with oil and gas for the planes and tanks of the Nazi Wehrmacht. He leases scores of water-front properties to the Nazis for use as secret submarine and refueling bases. March now lives in Lisbon—trying to make London and Washington believe he is a poor, helpless exile.

Juan March's agents and stooges, however, are in Spain—and other places. His lawyer, Tomas Peire, still has an office in Madrid. And one of Peire's partners in this Madrid firm is young Rafael de Jordana, son of

Franco's foreign minister. Early in January, Peire and young Jordana arrived in New York on a mission for Juan March. Peire proceeded to hold a number of secret conferences with Gen. Juan Beigbeder, of the Spanish Army. Beigbeder, an old pal of March, worked with the Germans against the French in Morocco in World War No. 1. A year ago Beigbeder came here as a Franco official. Now he claims to have broken with Franco, says he is working for the restoration of the Spanish monarchy. By a peculiar coincidence, this is March's plan.

Peire and Jordana returned to Spain in March, but another old pal of Juan March reached Washington at about that time. He is Luis Garcia Guijarro, the new commercial attaché of the Spanish Fascist Embassy. During the last war, his defense of the German submarines, which were sinking the Spanish ships carrying food to the Allies, got him expelled from the diplomatic service.

Juan March also has a permanent financial agent in Wall Street, one Jose Mayorga. Mayorga made the headlines 8 days after Pearl Harbor was bombed when Federal agents seized the Isla de Tenerife, one of Juan March's freighters, just as it was about to sneak out of New York Harbor with an unlicensed cargo of lubricating oil, airplane silk, and enough radio parts to build 50 military short-wave transmitters. The cargo was confiscated.

The Juan March who is working so hard to bring the Bourbons back to the empty throne of Spain was not born an aristocrat. His love for the monarchical principle was born in 1931 when the people of Spain voted to end the Bourbon monarchy. The first act of the new Spanish republic was to throw Juan March into the clink for wholesale thievery, corruption, and bribery.

Under the monarchy, Juan March had done all right. A bootblack at 12, he became a smuggler while still in his teens. By the time World War No. 1 broke out, March was king of the smugglers in the Mediterranean. He sold oil to the German submarine fleet and peddled a little oil to the British, too. He also sold secrets about the movements of under-sea fleets to both sides.

The Last Pirate of the Mediterranean, as a great Spanish writer dubbed him, now began to really expand * * * He became a large-scale shipping magnate, financier, banker, chain newspaper publisher, textile mill and mine operator, and a great landowner. With King Alfonso's backing March became the economic overlord of Spain. March's power to flout all laws came to a halt when the Republicans juggled him. But they neglected to jail every key man in the March empire. Had they taken this drastic step, World War No. 2 might have been averted.

Juan March's money was able to stuff enough ballot boxes in Valencia to guarantee the "election" of the jailbird to the Cortes, Spain's Congress. Cortes members enjoyed immunity from arrest. Would have been a nice trick, if it had worked. But the Republic proved the election was a fraud—and kept him behind bars. A million peseta bribe to the warden finally got March out on November 3, 1933. He shipped to Paris, where he arranged a coup which put his protegee, Gil Robles, in as Premier of Spain. The Gil Robles government in 1934 declared March had been legally elected to the Cortes. As a deputy, March went back to Spain.

While March was in jail, the man he admired most in Europe, A. Hitler, became Fuehrer. The Germans needed the raw materials and the military control of Spain as part of their plan of world domination. The Spanish Republic barred their way. In February 1936, the people of the Republic voted Gil Robles and his gang out of office. Juan March promptly elected to call the Nazis into Spain—as his partners. The deal was consummated on July 18, 1936—when German

and Italian troops invaded Spain and installed the puppet Franco in Madrid. Madrid finally fell to the Axis in April 1939. By September the Nazis moved on Poland, France, and England. At the start the Axis idea had been to keep Spain officially neutral—to keep it from becoming a battlefield. But when they realized that Hitler was going to lose this war, March knew that eventually fascism would have to wear a false face in Spain.

March and Gil Robles became exiles and enemies of Franco in Lisbon. And now March and his German boy friends are preparing for the return of the monarchy in Spain—a new government supposed to fool the world. The Nazi carteleers plan to set up an Ibero-American federation after the war, with Spain as the heart of a Fascist empire to include Argentina, Bolivia, and other Latin American countries. And March will be their partner.

March today is chuckling over the way characters like Beigbeder are convincing innocents in North and South America that the return of the Spanish monarchy would be a good thing for the United Nations. He feels confident of his chances. But if the master plan March and his German partners have drawn up does succeed, it is an automatic guaranty of world war No. 3 within a decade—with the Western Hemisphere as its battlefield. And there are still some cheerful idiots at large who insist what happens in Spain is none of our business.

Amendment of the Price Control Act

EXTENSION OF REMARKS OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. JENKINS. Mr. Speaker, under leave to extend my own remarks in the RECORD, I wish to state that the Republican Congressional Food Study Committee, of which I am chairman, consisting of 44 Members of the House, has for the past year been giving extensive study to all the problems relating to the production, processing, distribution, and consumption of food. Acting under instruction of this committee I appeared before the Committee on Banking and Currency, which at that time had under consideration the matter of extending the life of the Emergency Price Control Act, as amended, which is under consideration in the House of Representatives at this time.

The Republican Congressional Food Study Committee has recommended that the Price Control Act be amended in several particulars. I wish to discuss these proposed amendments briefly.

Several months ago it clearly appeared that the food situation was being seriously bungled by reason of the fact that there were so many agencies vying with each other in an attempt to control certain phases of the food problem. The Republican congressional food study committee took the position that the only way to relieve this muddled situation was for the establishment of one central agency with full authority to control all food activities from production to consumption.

The committee had prepared and introduced into the House of Representatives a bill numbered H. H. 2739 which was referred to the Committee on Banking and Currency. Later by reason of the efforts of this food study committee, H. R. 2837 was introduced and it was referred to the Committee on Agriculture. That bill, with some amendments, was recommended for passage by the Committee on Agriculture and has been pending before the Rules Committee for several months.

The following is in effect one of the amendments that the Republican congressional food study committee thinks should be adopted as a part of the pending bill now under discussion in the House of Representatives:

Amendment offered by Mr. JENKINS, of Ohio: On page 12 after the word "emergency" in line 2, add the following:

"(k) That in order to provide full responsibility for and control over the Nation's food program there is hereby established in the Department of Agriculture a War Food Administration which shall be under the direction and supervision of a War Food Administrator appointed by the President and who shall be directly responsible to the President. Notwithstanding any provision of any other law, no functions, duties, powers, authority, or discretion transferred to, vested in, or imposed upon, the War Food Administration or the War Food Administrator by this act shall be transferred to any other officer or agency of the Government, except as hereinafter provided.

"Sec. 2. The War Food Administrator is authorized and directed, notwithstanding any other provision of law (including title I of the First War Powers Act, 1941), exclusively and finally to exercise on behalf of the United States, either directly or through such other officers or agencies as he may designate, all powers, functions, and duties conferred or imposed upon any officer or agency of the United States by any law, order, regulation, or directive with respect to the Nation's food program in the United States and its Territories, including the production, processing, distribution, rationing, procurement, requisitioning, allocation of, priorities, storage, exportation, and importation of, provisions of labor and facilities for, and the establishment, maintenance, and adjustment of prices for food and food facilities.

"Sec. 3. The provisions of every rule, regulation, license, and order prescribed or issued prior to the enactment of this act which were included in such rules, regulation, license, or order in the exercise of any power, function, or duty which this act authorizes and directs the War Food Administrator to exercise shall continue in full force and effect until amended or rescinded by him.

"Sec. 4. The provisions of this act shall cease to be in effect upon the termination of title I of the First War Powers Act, 1941, or upon such earlier date as the Congress by concurrent resolution may designate. Upon the termination of this act all powers, functions, and duties which this act authorizes and directs the War Food Administrator to exercise and which have not otherwise expired shall be exercised by the officers or agencies of the United States from which transferred or upon which they are otherwise conferred or imposed by law."

Another amendment proposed by the Republican Congressional Food Study Committee is as follows:

SEC. 3. Nothing in the Emergency Price Control Act of 1942, as amended, or in such act of October 2, 1942, as amended, or in any other provision of law, shall authorize the establishment of any maximum price in the case

of any of the following perishable fresh fruits and vegetables: grapes, berries, cherries, peaches, pears, plums, apricots, melons, lettuce, and tomatoes. And any maximum price heretofore established in the case of any such fruit or vegetable shall cease to be in effect on the day following the date of enactment of this act.

The third amendment offered by the committee is as follows:

Provided further, That should the President adjust wages or salaries upward in accordance with the above proviso, the Administrator shall at once revise all pertinent regulations or orders issued under authority of the Price Control Act of 1942 in order that said adjusted wages or salaries shall be properly reflected in maximum prices or rentals.

Our committee further recommends an amendment to be placed in the proper place in the bill to the effect that the Administrator shall, when he issues orders, regulations, and so forth, accompany the same by a statement as to whether said regulations, orders, and so forth, have received the approval of his industry advisory committee, and if not, he must state the reason for his failure to receive said committee's recommendation.

The language of said amendment, if applicable to the present law, would be to insert the following after the word "Chairman" in the fifth line from the bottom of page 2 as the Emergency Price Control Act is printed in Public Law 421 of the Seventy-seventh Congress:

The Administrator shall, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein, or any amendments thereto. The committee shall make such recommendations to the Administrator with respect to such regulation or order or amendment thereto as it deems advisable, and all regulations, or orders, or amendments thereto shall, in addition to the "statement of considerations involved" referred to herein, be accompanied by a statement as to whether said regulations or orders or amendments thereto have received the approval of said committee, and if at variance with the recommendations of the committee, the reasons therefor.

Our committee also offers an amendment as follows:

That Public Law No. 421, Seventy-seventh Congress, as amended, be amended by adding paragraph (j) to section 2, as follows:

"No maximum price shall be established, or continued in effect, after June 30, 1944, on any food product not included in the list of food products making up the cost of living commodities as published in the Cost of Living Index of the United States Department of Labor."

Price and Rent Control

EXTENSION OF REMARKS

OF

HON. KARL M. LeCOMPTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. LeCOMPTE. Mr. Speaker, under leave to extend my remarks I include a set of resolutions adopted on June 2,

1944, by Local No. 1116, United Electrical, Radio and Machine Workers of America at Newton, Iowa, on the subject of price control and rent control, and I ask to include this set of resolutions in my remarks in order that all Members of Congress may be advised of the action of this large labor organization:

RESOLUTION DEALING WITH PRICE CONTROL

Whereas we firmly believe in the principles set forth in the Price Control Act as sound and the only sure way to prevent inflation; and

Whereas we believe that those who propose to change such act are bent on a problem of uncontrolled inflation in which a few gain at the expense of the rest of the citizens of our country; and

Whereas sacrifices are being made by the men and women in the service of their country, even to the extent of giving their lives; and

Whereas such sacrifices by persons in active service calls for sacrifices on the part of those on the home front to protect the Nation from economic chaos so that those who are fighting may return to civilian life free from the threat of a post-war depression; and

Whereas we believe the present Price Control Act has to a large extent prevented runaway prices and stabilized our economy and therefore should be extended without any crippling amendments and with adequate appropriations for its enforcement: Therefore be it

Resolved, That local 1116 U. E. R. M. W. A., representing 3,000 war production workers, goes on record in support of the present Price Control Act and urge our representatives in both Houses of Congress to support same without the pending amendments and see that appropriations sufficient to enforce the act are provided; and be it further

Resolved, That copies of the resolution be sent to our Representatives and Senators and to the press.

RESOLUTION DEALING WITH RENT CONTROL

Whereas the findings of the committee investigating rent control deals primarily with a few outstanding cases of seeming injustices and fails to give facts on the entire situation of housing, rent, and property values; and

Whereas the committee as set up by the Newton Chamber of Commerce was composed primarily of lumber dealers, real estate men, and not individuals as property owners, and failed to give any recognition to the workers and low-income groups in the community; and

Whereas the report indicates a desire on the part of some individuals to raise rents in the community from \$10 to \$15 per month on dwellings without regards to the ability of the renter to pay; and

Whereas such report fails to give consideration to the fact that large groups of workers have had no increase in wages, particularly white-collared workers, and that many workers are working at wages below the 50 cents which is considered substandard; and

Whereas many industrial workers have had no increase in hourly rates and the increased income comes from an abnormal condition of employment for which overtime pay is received. Such overtime pay may be discontinued by a reduction in working hours thereby decreasing the income of these workers: Therefore be it

Resolved, That Local 1116 goes on record endorsing the present program of rent control; and be it further

Resolved, That we firmly believe that the adoption of the recommendations of the committee representing the chamber of commerce would bring undue hardship on those in the lower-income groups of our community; and be it further

Resolved, That copies of this resolution be sent to all Congressmen from our State or district.

cials of our Government have indicated their complete sympathy with the necessity for maintaining continuity of medical education on a high standard. Apparently, however, the Secretary of War, Henry L. Stimson, and the Secretary of the Navy, James Forrestal, are not sympathetic to this need. They have said in a joint communication that the proposal to place premedical and pre-dental students on an inactive status in the enlisted reserve corps so that they may continue their studies would provide immunity from military service for 5 or more years to a selected group of young men. They suggest, moreover, that the essential in the selection would be the ability of the parents to finance the education, together with the ability of the student to complete the premedical or pre-dental courses and thereafter to qualify for entrance into approved medical or dental colleges.

Apparently the Secretary of War and the Secretary of the Navy oppose granting deferment to premedical students, notwithstanding the fact that it will lower tremendously the number of graduates in medicine and dentistry in the years 1948 and 1949, on the grounds that the armed forces need young men of intelligence with the proper physical qualifications and that the immediate needs of the war for their services ought not to yield to the prospective use of these young men as doctors at a later date. They support this contention with the argument that many doctors at present in the military service will be released by 1948 and 1949.

An alternative suggestion has been that the Army agree to supply qualified premedical students by selecting from young men now in the armed forces those who had previously been engaged in a course of study in the premedical years and who had already completed at least a year of military service. This would, of course, involve selection of medical students by the Army, rather than by the medical schools. It would involve picking out young men from remote areas like the Aleutians, North Africa, and the South Pacific, and transporting them back home.

Up to now, Government officials have apparently comprehended the need for maintaining continuous medical education of a high standard in the United States. Evidently the pressures on them have caused them to abandon this point of view and to gamble on the future of health in this country. The available statistics indicate that persistence in the policy now prevailing will mean disastrous conditions in the years to come. About 3,500 doctors die each year in the United States. If the armed forces are to take 3,330 out of 6,440 in each medical class, leaving the balance of 3,110 to be filled by women and physically defective men, the situation 5 years from now will be hazardous. There will be an actual deficit of physicians coming into the profession each year.

The statement that men will be released from the armed forces by that time sufficient to compensate for the deficit in new graduates shows a complete lack of comprehension of the needs of medical service. Where will our hospitals secure interns and residents? Where will the specialist branches in medicine secure the men who will be willing to undergo 3 to 5 years of additional training to qualify? Who will take care of the veterans in the greatly expanded medical care program of the Veterans' Administration? Who will supply the needs of our allies and, particularly, the people of the liberated countries, where medical schools have been closed and physicians taken as prisoners to take care of the laborers from their own countries deported into Germany? What about the great program of extension of advanced medical education to our neighbors in South America? What about the tremendous needs of China for modern medical aid, which is so strongly emphasized by

all of the leaders of our Government? At a time when the whole world is confronted with a need for well-trained physicians as never before, American officialdom is apparently willing to cut off the supply at its very source.

By June, young men now engaged in premedical education will begin to be inducted into the service. Letters pour into the headquarters office of the American Medical Association from leaders in education, from physicians and from citizens everywhere urging that everything possible be done to halt this folly.

The situation has been complicated by the fact that a committee representing the Council of the Association of American Medical Colleges and another representing the American Dental Association have agreed with the Director of the Selective Service System that the taking of young men from the armed forces after they have completed at least a year of military service will be a satisfactory solution to the problem. From this agreement the directing board of the Procurement and Assignment Service, the Council on Medical Education and Hospitals and many leaders in medical education strongly dissent. The statement of the directing board appears in this issue.

The Council on Medical Education and Hospitals is convinced that the plan cannot insure an adequate supply of qualified medical students. The argument has been offered that the Selective Service System was able to carry out a similar program successfully for the supplying of coal miners and copper miners. Anyone familiar with the requirements in the field of premedical education will realize that there can be no analogy between these two situations. The continuing production of physicians of a high standard of education should have precedence because of the fundamental demand for such services at all times by the armed forces and because the needs of our civilian population now and in the future cannot be met by the education of men who are physically substandard and of women. It is, to say the least, uneconomical to spend the time, the effort, and the money necessary to put a boy through a premedical course, a medical course, and an internship when his physical condition is such as to indicate a lessened life expectancy and the possibility of invalidism in the future. Ten years of service to the people at the end of his career will be of far more value from every possible point of view than 10 years at the beginning.

Certainly, this problem is one to which the house of delegates of the American Medical Association should give most careful and serious consideration at the forthcoming session in Chicago. Certainly, it is of sufficient importance to demand that it be taken, if necessary, directly to the Congress of the United States and to the President.

Transportation

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. HÉBERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address before the Kiwanis Club of Baton Rouge, La., June 1, 1944, by Lewis I. Bourgeois:

Transportation is with us just as sure as death and taxes—not however as negative

as that but as definitely necessary as it was to early man who used his back to transport to his cave the fruits of his hunt; as sure as we see it today in the movement of man and material in war or in peace.

We probably rarely think of it but transportation is a commodity which we use more of than anything else in the world. Take the clothes we wear or the food we eat. All of it has been transported some time or other from somewhere to somewhere. Your suit of woollens; it started out as wool on the back of some sheep on the western slopes of the Rockies or the far-off plains of Australia or the pampas of the Argentine. From there many things have taken place. After shearing, first the wool was sorted and baled and transported by cart or truck to rail siding or river port or ocean terminal and again transported for grading, processing, cleaning, weaving, dyeing, cutting, tailoring and selling; then its on your back. During that time it was moved, and pushed and pulled and carried and carted and trucked and railed and shipped and barged around numerous times. Between your movements in your travels, and between home and laundry, it continues to be transported, until it is carried in that last journey from which there is no return.

A good deal of your money is used for transportation—as a matter of fact—you are a big buyer of transportation. Most of the energy of this great country is expended just moving things around.

I was on an inspection tour of one of our large defense plants the other day and I dare say that half of the men and machines within the plant were busy transporting or moving things around. And it took thousands of items moving to that plant to make an implement of war which itself will be moved by derrick, by rail, by barge lighter, by ship, again by lighter and then perhaps by air, to its ultimate destination of destruction of the enemy.

But the normal course of peacetime commerce seeks the cheapest mode of transportation and finds the answer in inland waterway transportation.

In the last half of the nineteenth century we found the rivers dotted with steamboats of every size and description—stern-wheelers, side-wheelers, regular floating palaces, the interior of which rivaled the appointments of any hotel lobby of our great cities. Romance, glamour, tradition lived with the steamboat. In addition, we saw towboats pushing wooden scows filled with coal down to the cities of the lower valley and again slowly winding their way back to the coal-loading ports of the North and the East.

Then came the iron horse, with its highways of steel, following the course of the rivers and tapping the great river cities which the steamboat had helped to build, and gradually the boats disappeared. First, the passenger and then the freighter, so that by the time we first heard the cannons roar over the European Continent in 1914 we could only find a small steamboat here and there, probably hauling apples in the Ohio Valley, and a few towboats and barges moving coal and steel on the Monongahela.

And then the Kaiser sank just one too many of our ships and we were plunged into war. The wheels of industry turned and as they turned materials of war moved; and materials moved so fast that they actually poured toward our embarkation ports; and soon our railroads could not handle all. The yards clogged up with loaded cars from the seaboard to the Mississippi; the ports congested faster than the ocean vessels could load and clear. And so the Government took over transportation. In looking around for every means possible to clear the jam, it was discovered that the river was there all the time waiting to do its share of the job. Rivers that had been idle when all the nations of the

world were developing and using their rivers and canals and coordinating them with rail and highway.

Worn-out towboats were bought and corrugated iron and wooden barges were taken over and a barge line was established on the Mississippi between St. Louis and New Orleans, and thus the Federal barge lines of today had its origin. Its first sailing was but a few months before the armistice, and it handled during those few months of that year about 18,000 tons of freight. When the war was over it had a variety of river craft on its hands which seemed well ready for the scrap heap.

However, the leaders of this Mississippi Valley seemed to sense an opportunity for a return of inland-waterway commerce; a commerce which our forefathers developed to make this a great valley, and this river equipment seemed to be just what was needed for a start. And from that start we have seen a quarter of a century of river traffic which has surpassed in volume all of the river-tonnage figures of the century previous.

Down through the years we have seen a constant development of inland water-borne traffic and when the figures are eventually released we will find that the total tonnage has reached proportions far beyond the predictions of those valley leaders whose vision and courage made this commerce possible.

Barge lines are operating today throughout the Mississippi Valley. From the Great Lakes through Chicago, down the Illinois waterway to meet the Mississippi; from the Twin Cities on the upper Mississippi; from the grain metropolis of Kansas City, on the Missouri to its confluence with the Mississippi; from the great industrial cities of the Ohio Valley down that stream to Cairo; all forming a network with the Mississippi, and tapping the Intracoastal Canal which borders Texas and Louisiana, and which reaches to Florida, and on its way connecting at Mobile with the Warrior in Alabama up into the Birmingham steel and coal areas.

The variety of commodities on inland waters covers great numbers; some are peacetime domestic consumer goods, but in the beginning of this great war-preparedness program the river tonnage encountered a drop, and perhaps understandingly so. Material was needed and needed badly and fast movement became a necessity. But soon stock piles began to grow and warehouses started bulging with material and yet those directing the movement of material continued to employ the quicker deliveries of land transportation until there came a realization that the river was there to be used—that the river was there waiting to take its share of the burden of war transportation. Gradually war commodities found their way by inland waters to factory and base and camp and embarkation port and now the importance of inland waterways in time of war as well as in peace is being fully realized and demonstrated again.

Modern towboats, Diesel-powered, twin screw, high horsepower, today push tows of from 8 to 12 barges in 1 tow; some of these barges have capacity as high as 2,240 net tons, so that a tow today may have a total tonnage of as much as 10,000 to 12,000 tons.

Before we opened the intracoastal canal in Texas and Louisiana, it was my experience in 1933 to participate in a traffic survey of potential tonnage to move on that canal. By fairly conservative research we found approximately a half million tons which could be developed. Today, recent figures divulged by the authorities show that over 21,000,000 tons have moved in 1942 on that waterway alone.

Inland waterway tonnage figures announced for the first time since the outbreak of war show that the inland waterways of the Mississippi Valley handled in 1942 over 125,000,000 net tons, an increase of 29 percent over 1940.

The combined traffic moving on all inland waterways, river and canal, was over 146,000,000 tons, and this I am informed does not include that tonnage embracing strategic materials of war or lend-lease.

But probably the two most unexpected developments of inland waterway transportation came about during this war.

This is a war of transportation. This is a war of motorized and mechanized movement. Modern weapons on land, on sea, and in the air consequently must use fuel and the most strategic material of the war today is petroleum and its products. No sooner had the ink dried on the war proclamation, than we began to hear the explosions of torpedoes up and down our Atlantic seaboard and in the Gulf. Enemy subs were sending our freighters and tankers to the bottom at a terrific rate.

Our great industrial eastern seaboard is served greatly by coastwise tankers. It seemed that the subs were concentrating on our tankers and slowly but surely our oil supply in that area began to dwindle and rationing became severe. Not only the motorist suffered but home and fireside suffered, too.

With tankers needed to bring fuel to our far-flung battle fronts, it was inevitable that the service of the coastwise tanker would soon disappear. And so all the tank cars and tank trucks of the Nation were mobilized and thrown into the breach but still that proved insufficient. But the rivers and canals were there—safe from submarine warfare—safe from air attack. Government agencies awoke to this realization and quickly hundreds of dry cargo barges were taken over, converted to oil carriage, and promptly assigned to oil transportation. Immediately contracts were let for new barges and towboats and they were built and are in use now in the movement of oil.

Today petroleum is king of the water-borne commodities and every day we see tows after tows moving from the oil fields and refineries of Louisiana and Texas, moving east on the Intracoastal Canal to the Florida tanks and pipe lines, north to the Birmingham district, up the Mississippi to St. Louis and Minneapolis; up the Illinois to Chicago; over the Ohio to the eastern territory, hardest hit by the scarcity of oil tankers. No other individual commodity has grown in volume as this waterway petroleum traffic. The river filled a need; the river again proved the answer in the emergency. Oil is moving with dispatch, and efficiency, and with economy; oil movement by barge is second only to the ocean oil tanker in economy in the transportation of this commodity.

Another surprising development of water transportation during this war, and in which the river again was the answer, was the construction of floating equipment for war purposes on the upper Mississippi and on the Great Lakes, and the moving of such equipment down the Mississippi to the open sea. Before the war, no one would have dared to predict the building of submarines on the Great Lakes and their subsequent movement to the Gulf. Far removed from coastal attack and even token air raids, shipyards built over a thousand military and naval vessels of considerable size, and river towboats brought them down the river without interruption of channel obstruction by sand bars or ice; brought them down past your city on their way to the Gulf, where they were placed in commission and sent on to the theaters of war in the Atlantic and the Pacific.

Yes; the river is serving the Nation today, and at a time when its need is greater than ever before.

And when the conflict is over and the peace is written, inland waterways transportation will continue to serve the peoples of this great valley, attracting to itself those commodities which are natural to slow but

economical transportation; and coordinating and cooperating with all other forms of transportation it will then, as now, always be a potent factor in the growth of agriculture and industry, which ultimately will make of this Mississippi Valley the largest area of prosperity in the entire world.

Extension of the Price Control Act

EXTENSION OF REMARKS

OF

HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. OUTLAND. Mr. Speaker, it is a pleasure and a unique sensation to receive a communication which approaches the problem of extension of the price-control law objectively and without any selfish motives whatsoever. As a part of this extension of remarks I should like to include the following statement, which represents the position on this matter of some of the most outstanding organizations in America:

We, the undersigned representatives of organizations, call upon the Congress to extend the price-control statutes as they are—without any weakening amendment—and to provide the O. P. A. with the funds that are necessary to do the job laid upon it.

For the past 2 months witness after witness has appeared before committees of the Congress, professing support for price control but demanding that the law be amended to give his industry or his product special consideration.

One hundred and twenty-five amendments have been proposed, each one intended to force the O. P. A. to raise prices. While some of these proposals have been submitted sincerely, for the most part it has been a shocking exhibition of greed.

We repudiate these proposals. These men do not speak for us. They do not speak for our men at the front and they do not speak for many businessmen and farmers of this country.

We know many businessmen and farmers in our communities. They are our neighbors. We know they do not wish to profiteer from the war. We know that, like us, they want the line held.

The claim that these amendments will not weaken, but will strengthen, price control, misleads no one. Under the existing law the line has been held for a solid year. What has been done under the statutes during the past year can be done under the same statutes in the year ahead.

And if the law is amended and the line bends and breaks, no amount of talk will stand against the record. The American people will know what did it and who was responsible for doing it.

The Congress acted wisely 2 years ago in enacting the price control law. We call upon the Congress today to reaffirm its wisdom—so completely demonstrated by the record—by extending this law without weakening amendment and by providing the O. P. A. with the funds necessary to do its job.

American Association of University Women, Dr. Kathryn McHale, general director; American Home Economics Association, Miss Gladys Wyckoff, executive secretary; Congregational-Christian Churches, Council for Social Action, Rev. Francis McPeck, chairman, legis-

lative committee; Methodist Church, Women's Society for Christian Service, Mrs. M. E. Tilly, chairman, southeastern jurisdiction; National Council of Catholic Women, Mrs. Robert Angelo, president; National Council of Jewish Women, Mrs. Gerson Levi, national chairman of Social Welfare and War Activities; National Education Association, Mr. Willard Givens, executive secretary; National Farmers' Union, Mr. James G. Patton, president; National Federation of Settlements, Miss Mildred Gutwillig, chairman, Consumers' Interest Committee; National League of Women Shoppers, Miss Katherine Armatage, chairman, board of directors; National Women's Trade Union League, Miss Elizabeth Christman, executive secretary; National Board of the Young Women's Christian Association, Mrs. Henry A. Ingraham, president.

The Eternal City

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. KENNEDY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by George E. Sokolski, from the New York Evening Sun:

THESE DAYS

(By George E. Sokolski)

THE ETERNAL CITY

The fact that Rome is intact, that its historic magnificence has not been reduced to rubble, that the symbols of western civilization blossoming in the religion of our various peoples still stand—that is a triumph that speaks of the miracles that for thousands of years have saved the city on the Tiber. And today this city is important to us not for its Caesars, ancient or modern, but for its association with the religion of God.

One need not be a Roman Catholic to appreciate the importance of Rome. We live in an age of ugly, base materialism, an age in which morals have been debased to the principle that if you can get away with it, it is right. We live at a time when even the ideal of God has been subjected to a degenerative whittling away from a glorious leadership toward the heavenly life to a doctrine that there is no absolute truth at all and that what is one day provable is on that day right, and that what is right today may be everlastingly wrong tomorrow. The industrialization of vast multitudes, the shifting of population from one part of the earth to another, the swiftness of transportation are a few of the causes for the uprooting of individuals from their traditional moorings. But even more, these and other forces have almost succeeded in destroying the one instrument of civilization which is wholly conceived in love, the family as the central unit of society, the core of everything we are and everything we have.

FORCE FOR FOOD

Against these destructive forces making for the enslavement of the spirit of man, poisoning the wells of civilization, reducing man to a statistical entity, a dot on a chart, a thing to be used and moved about and even

destroyed in the interest of force and power, stands the symbol of the instrument of God's good. It matters not at all whether one is a Jew or a Protestant, or even if one is utterly without religious affiliation—to all who love God and who recognize that it is the force of religion that moved the western people from the degeneracy of paganism, from the savagery of Thor and Wotan and the droolings of the Druids and a life of murder and rapine to this day when even those who make and fight wars swear that they hate war—all those who recognize the progress of man since Europe has come to know God, must respect and cherish the force for good, even when it has erred, that has come out of the City of God. Rome—the Rome of Christianity—stands as the beacon light against the heavens for that ideal, for the dreams of Micah and Isaiah and Jesus of Nazareth, Jews, it is true, but Jews whose dreams are still unfulfilled by a world that yearns toward their realization.

AVOIDED EASIER VICTORY

I am proud, as an American, that it was my people and my flag that marched into Rome to liberate it. And I am prouder still that those who commanded our troops restrained an impulse to an easier victory by bombing the Eternal City into a mass of unidentifiable rubbish. Perhaps we shall save Paris and Vienna from destruction, and even Berlin, for say what one will of the need for speedy victory, it cannot ever be won if nothing remains of Europe but a desert of destroyed cities and homeless, broken people.

The instruments with which this war is being fought are so horrible in their effectiveness that one cannot be human who does not dread in each day's news the accounts not of what is being conquered but of the irreplaceable that is being destroyed. Only the railroad yards in Rome were completely demolished, and they can be built anew in little time. But who could begin to dream of restoring the walls upon which Raphael and Leonardo de Vinci and Michelangelo spent their souls to the glory of God and man. The Eternal City stands—to remind the erring sons of this earth that their wisdom and genius in this age of efficiency and statistics have yet to reach the beauty and truth of its spirit.

Crippling U. N. R. R. A.

EXTENSION OF REMARKS

OF

HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. OUTLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post of June 6, 1944:

CRIPPLING U. N. R. R. A.

The Republican Members of the House on Saturday showed an alarming spirit of partisanship in respect to the United Nations Relief and Rehabilitation Administration. By what Representative Woodrum referred to as a strict party vote, they lopped \$350,000,000 from the \$800,000,000 appropriation sought for that agency by the President. The curtailment can in no sense be considered an economy. The three hundred and fifty million had already been appropriated to lend-lease and would merely have been transferred for U. N. R. R. A.'s use as needed. Besides, Congress is already on record as hav-

ing authorized an American contribution of \$1,350,000,000 to U. N. R. R. A. The effect of the action, therefore, can only be, as Mr. Woodrum put it, "to cripple U. N. R. R. A."—and to do so as it stands on the very threshold of its tremendous undertaking. The liberation of Rome indicates how near at hand may be the need for its healing efforts.

U. N. R. R. A. cannot do its job with promises—or with promised but unappropriated funds. It must have money with which to purchase the great quantities of food, clothing, farm equipment and repair materials which will be needed to succor the homeless and the hungry and to set the wheels of devastated Europe's economy back in motion. It cannot wait to order these things until liberation is actually achieved. Recognizing this, the British have already appropriated the whole amount of their pledged contribution. So has the little Republic of Iceland. But the United States, the wealthiest and most powerful of the member nations, holds back—and for reasons of partisan politics. To the anguished peoples of Europe whose hopes have been kindled by our promises, this parsimony can bring only dismay and a dangerous disillusionment.

U. N. R. R. A. is the first concrete mechanism for interallied cooperation in the solution of post-war problems. Our adherence to it ought to be wholly divorced from domestic political divisions. The action of the House Republicans is a sorry commentary indeed upon the meaning of the Mackinac declaration to which their party subscribed: "We must aid in restoring order and decent living in a distressed world." It cannot fail to suggest that this declaration was mere lip service to the principle of international collaboration. Clearly the House Republicans have defaulted before the first practical test of their intentions. We hope that the members of their party in the Senate will set aside this sort of partisanship. They must do so if they are to sustain the faith of the world in America's post-war leadership.

General Federation of Women's Clubs Resolutions

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1944

Mr. ANGELL. Mr. Speaker, the General Federation of Women's Clubs, which is doing an outstanding work in promoting the welfare of our country, recently held its annual convention at St. Louis, and adopted a number of resolutions which are of much interest, not only to us in the Congress but to the Nation at large. I include these resolutions as a part of my remarks, which are as follows:

GENERAL FEDERATION OF WOMEN'S CLUBS—RESOLUTIONS ADOPTED AT ANNUAL CONVENTION, APRIL 25-28, 1944, ST. LOUIS, MO.

NEW RESOLUTIONS PRESENTED TO AND ADOPTED BY CONVENTION

Alaska

Whereas Alaska has been a part of the United States since 1867 and is a land of great economic potentialities as well as an important link in global transportation; and

Whereas its strategic position is of vital importance in the defense of the continental United States; and

Whereas the people of Alaska are making a magnificent contribution to the war effort; therefore, be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, urges upon Congress the speedy enactment of legislation that will admit Alaska as the forty-ninth State of the Union.

Presented by:
 MRS. JEFFERSON D. ATWOOD,
Chairman, American Citizenship Department.

MRS. GUSTAV KETTERER,
Chairman, War Service Department.
Japanese in western coastal area

Whereas powerful groups in the United States have been fighting for the release of Japanese and the abolishment of the evacuation order; and

Whereas if the war with Japan were to cease tomorrow many Japanese would be free to return to the western coastal area without any legislative control: Therefore, be it.

Resolved, That the General Federation of Women's Clubs in convention assembled April 1944 goes on record as favoring the prevention of the return of any Japanese or Japanese-Americans to the coastal area for the duration and the transfer of control of all Japanese in America from civilian authority to the United States Army; and be it further

Resolved, That the General Federation of Women's Clubs urges upon the Congress of the United States the expatriation of all convicted, disloyal Japanese-Americans, and that Congress make an exhaustive study, with conclusive action, of every phase of the Japanese problem in America before the close of the war in order to safeguard the future security of the United States.

Presented by:
 MRS. JEFFERSON D. ATWOOD,
Chairman, American Citizenship Department.

Metric system

Whereas the irregular, numerous, unwieldy, and complicated units of weights and measures used in the United States and Great Britain are a hindrance to the teaching of arithmetic, everyday commercial transactions, and world trade; and

Whereas the metric system of weights and measures has only three units—meter, liter, and gram—interrelated and decimally divided like our dollar; and

Whereas the metric system is now used in the United States in science, some factories, jewelry and optical industries, all electrical and radio measurements, athletic events, some hospitals and Government departments, and especially at present in the manufacture of ammunition; and

Whereas the Council on Pharmacy and Chemistry of the American Medical Association has recently decided that henceforth it will use only the metric system; and

Whereas the gradual introduction of the metric system in this country (exactly as it has been introduced in 55 other countries) is feasible; and

Whereas the full adoption of the metric system by the United States would be of great benefit to this country in post-war reconstruction, in promoting international commercial relations, particularly with the countries of Latin America, continental Europe, and Asia; therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, endorses legislation in Congress for the Nation-wide adoption of the metric system of weights and measures.

Presented by:
 MRS. HIRAM C. HOUGHTON, Jr.,
Chairman, Education Department.
 MRS. GUSTAV KETTERER,
Chairman, War Service Department.

Nursery schools

Whereas there are approximately five million women in industrial plants today, many of whom have children at home inadequately provided for; and

Whereas the health, habits, and mental attitude of children are developed in the early formative years of their existence: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, earnestly requests the establishment of nursery schools with recreational and handicraft programs, for the duration of the war and 6 months thereafter, and that these nursery schools have qualified teachers and become a part of the educational system of the community and State—provided that, if Federal aid is extended, it will be administered by the States.

Presented by:
 MRS. HIRAM C. HOUGHTON, Jr.,
Chairman, Education Department.

School-lunch program

Whereas the Congress of the United States has made a vital contribution to the health and well-being of the Nation's children through successive allocations of customs duties to move farm surpluses to be used for school luncheon programs; and

Whereas under this program thousands of children have been assured a hot, nourishing mid-day meal at nominal cost, which has been reflected in the improved mental and physical condition of the children as shown by their attendance and scholastic records; and

Whereas Congress in the first deficiency act cut out the \$50,000,000 to continue the school lunch program because farm surpluses have all but vanished, and the time has come for direct legislation to take care of the luncheons of the Nation's children, our most valuable national asset: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, petitions Congress to appropriate not more than \$50,000,000 annually for a school luncheon program, the administration of such fund to be left to the State departments of education.

Presented by:
 MRS. HIRAM C. HOUGHTON, Jr.,
Chairman, Education Department.
 MRS. HARVEY W. WILEY,
Chairman, Legislation Department.

General international organization

Resolved, That the General Federation of Women's Clubs in convention assembled April 1944 urges the Government of the United States:

To take definite steps to accomplish the codification of international law;

To further necessary procedure to obtain international commitments to include collective force to prevent or stop aggression;

To cooperate immediately with other United Nations in setting up a United Nations Council now to proceed with the formation of the general international organization in accordance with the principles of the Moscow declaration and the Connally resolution—to the end that important decisions affecting world security and international policies, many of which now seem to be made independently, shall be concerted decisions of the United Nations.

Presented by:
 MRS. NANCY RUPLEY ARMSTRONG,
Chairman, International Relations Department.

Federal expenditures

Whereas Federal expenditures and the growing Federal debt are in such volume as to challenge the financial status of the American people; and

Whereas the ability of our citizens to carry the heavy taxes which are inevitable in the

future depends on the healthy, courageous expansion of our system of individual enterprise; and

Whereas the impact of taxation must now directly reach all scales of living and income groups; therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, requests the Congress to practice more economy in planning future Federal expenditures, in order to preserve our representative form of government and our American way of life; and be it further

Resolved, That the Congress employ financial experts to make recommendations for reductions in the most intelligent manner.

Presented by:
 MRS. HARVEY W. WILEY,
Chairman, Legislation Department.
Children's Bureau

Whereas the General Federation of Women's Clubs has fostered and supported throughout the years the aims and purposes of the Children's Bureau of the Department of Labor; and

Whereas bill H. R. 4663 would remove services to the health mothers and children from the Children's Bureau, which is now constituted for services to the whole child: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, protests any effort which would interfere with the continuation of service to the whole child.

Presented by:
 MRS. HORACE B. RITCHIE,
Chairman, Public Welfare Department.
Policewomen

Whereas the employment of policewomen has shown its value in those communities where the system has been given a fair trial; and

Whereas the point of particular value in the use of policewomen has been in the treatment of women and children who are in conflict with the law; Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1944, expresses its approval of the system of employing policewomen and its support of plans to extend the system to all municipalities where there are cases involving any considerable number of women and children.

Presented by:
 MRS. HORACE B. RITCHIE,
Chairman, Public Welfare Department.

Commissioned rank for women in United States Army Nurse Corps

Whereas the Army Nurse Corps has been a part of the United States Army since 1901 and is the only corps without commissioned rank, relative rank having been granted in the last war to meet specific needs; and

Whereas although relative rank has served its purpose of demonstrating that women nurses can fulfill the great responsibilities placed upon them, the time has now come to recognize women nurses on the same basis as women serving in the other branches of the armed forces; therefore be it

Resolved, That the General Federation of Women's Clubs, in convention assembled, April 1944, goes on record as favoring legislation to give regular commissioned rank to members of the Army Nurse Corps.

Presented by:
 MRS. GUSTAV KETTERER,
Chairman, War Service Department.
Crude Oil

Whereas it is a well known fact that the citizens of the United States are faced with a definite crude-oil shortage which will become increasingly acute; and

Whereas the present price of crude oil offers no incentive to the discovery and development of new fields, but an increase of 35 cents

78TH CONGRESS
2D SESSION

S. 1764

IN THE SENATE OF THE UNITED STATES

JUNE 9 (legislative day, MAY 9), 1944

Ordered to be printed as passed by the Senate

AN ACT

To amend the Emergency Price Control Act of 1942, as amended,
and the Stabilization Act of October 2, 1942, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Stabilization Extension
4 Act of 1944".

5 TITLE I—AMENDMENTS TO THE EMERGENCY
6 PRICE CONTROL ACT OF 1942

7 TERMINATION DATE

8 SEC. 101. Section 1 (b) of the Emergency Price
9 Control Act of 1942, as amended, is amended by striking out
10 "June 30, 1944," and substituting "December 31, 1945".

1 APPROPRIATION REQUIRED FOR SUBSIDIES

2 SEC. 102. Section 2 (e) of such Act is amended by
3 adding at the end thereof the following new paragraph:

4 "After June 30, 1945, neither the Price Administrator
5 nor the Reconstruction Finance Corporation nor any other
6 Government corporation shall make any subsidy payments,
7 or buy any commodities for the purpose of selling them at a
8 loss and thereby subsidizing directly or indirectly the sale
9 of commodities, unless the money required for such subsidies,
10 or sale at a loss, has been appropriated by Congress for
11 such purpose."

12 UNAUTHORIZED CONDITIONS OR PENALTIES

13 SEC. 103. Section 2 of such Act is amended by adding
14 at the end thereof the following new subsection:

15 "(k) No agency, department, officer, or employee of the
16 Government, in the payment of sums authorized by this or
17 other Acts of Congress relating to the production or sale of
18 agricultural commodities, or in contracts for the purchase
19 of any such commodities by the Government or any depart-
20 ment or agency thereof, or in any allocation of materials or
21 facilities, or in fixing quotas for the production or sale of
22 any such commodities, shall impose any conditions or pen-
23 alties not authorized by the provisions of the Act or Acts, or
24 lawful regulations issued thereunder, under which such sums
25 are authorized, such contracts are made, materials and

1 facilities allocated, or quotas for the production or sale of
2 any such commodities are imposed. Any person aggrieved
3 by any action of any agency, department, officer, or employee
4 of the Government contrary to the provisions hereof, or by
5 the failure to act of any such agency, department, officer, or
6 employee, may petition the district court of the district in
7 which he resides or has his place of business for an order
8 or a declaratory judgment to determine whether any such
9 action or failure to act is in conformity with the provisions
10 hereof and otherwise lawful; and the court shall have juris-
11 diction to grant appropriate relief. The provisions of the
12 Judicial Code as to monetary amount involved necessary to
13 give jurisdiction to a district court shall not be applicable in
14 any such case."

15 ENFORCEMENT AUTHORIZATION

16 SEC. 104. Section 3 (e) of such Act is amended by
17 striking out "(a) and (b)".

18 EXPENDITURES BY THE ADMINISTRATOR

19 SEC. 105. Section 201 (c) of such Act is amended to
20 read as follows:

21 “(c) The Administrator shall have authority to make
22 such expenditures (including expenditures for personal serv-
23 ices and rent at the seat of government and elsewhere; for
24 lawbooks and books of reference; for paper, printing and
25 binding; and for purchase of commodities in order to obtain

1 information or evidence of violations of price, rent, or
2 rationing regulations or orders or price schedules) as he
3 may deem necessary for the administration and enforcement
4 of this Act. The provisions of section 3709 of the Revised
5 Statutes shall not apply to the purchase of supplies and
6 services by the Administrator where the aggregate amount
7 involved does not exceed \$250."

8 PROTEST PROCEDURE

9 SEC. 106. (a) The first sentence of section 203 (a) of
10 the Emergency Price Control Act of 1942, as amended, is
11 amended to read as follows: "Within a period of sixty days
12 after the issuance of any regulation or order under section 2
13 (or in the case of a price schedule, within a period of sixty
14 days after the effective date thereof specified in section 206),
15 or within a period of sixty days after June 30, 1944, which-
16 ever is later, any person subject to any provision of such
17 regulation, order, or price schedule may, in accordance with
18 regulations to be prescribed by the Administrator, file a
19 protest specifically setting forth objections to any such pro-
20 vision and affidavits or other written evidence in support
21 of such objections."

22 (b) Section 203 (c) of such Act is amended by insert-
23 ing before the period at the end thereof a colon and the
24 following: "*Provided, however,* That, upon the request of
25 the protestant, any protest filed in accordance with subsec-

tion (a) of this section, after September 1, 1941, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection”.

(c) Section 203 of such Act is further amended by adding at the end thereof the following new subsection:

“(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals,

1 created pursuant to section 204, for relief; and such court
2 shall have jurisdiction by appropriate order to require the
3 Administrator to dispose of such protest within such time
4 as may be fixed by the court. If the Administrator does
5 not act finally within the time fixed by the court, the protest
6 shall be deemed to be denied at the expiration of that period.”

7 (d) Section 204 (c) of such Act is amended by in-
8 serting after the third sentence and before the fourth sentence
9 thereof the following:

10 “Two judges shall constitute a quorum of the court and
11 of each division thereof.”

12 STAYS IN CRIMINAL PROCEEDINGS, AND SO FORTH

13 SEC. 107. Section 204 of such Act is amended by add-
14 ing at the end thereof the following new subsection:

15 “(e) Within five days after judgment or decree in any
16 proceeding brought pursuant to section 205 for the viola-
17 tion of any provision of any regulation or order issued under
18 section 2 or of any price schedule effective in accordance
19 with the provisions of section 206, the defendant may
20 apply to the district court for leave to file in the Emergency
21 Court of Appeals a complaint against the Administrator
22 setting forth objections to the validity of any provision
23 which the defendant has been found to have violated. The
24 district court shall grant such leave with respect to any
25 objection which it finds is made in good faith and with

1 respect to which it finds there is reasonable and substantial
2 excuse for the defendant's failure to present such objection
3 in a protest filed in accordance with section 203 (a).
4 Upon the filing of a complaint pursuant to and within thirty
5 days from the granting of such leave, the Emergency Court
6 of Appeals shall have jurisdiction to enjoin or set aside in
7 whole or in part the provision of the regulation, order, or
8 price schedule complained of or to dismiss the complaint.
9 The court may authorize the introduction of evidence, either
10 to the Administrator or directly to the court, in accordance
11 with subsection (a) of this section. The provisions of sub-
12 sections (b), (c), and (d) of this section shall be applicable
13 with respect to any proceeding instituted in accordance with
14 this subsection. After judgment in any proceeding brought
15 pursuant to subsection 205, the district court shall
16 stay the execution of its judgment for the viola-
17 tion of any provision of a regulation, order, or price
18 schedule concerning which there is pending a protest
19 properly filed by the defendant in accordance with the
20 provisions of section 203, or any judicial proceeding insti-
21 tuted by the defendant in accordance with the provisions
22 of this section, the stay to continue until the disposition of
23 such protest, or judicial proceeding, and the expiration of
24 the time allowed in this section for the taking of further
25 proceedings with respect thereto. If any provision of a

1 regulation, order, or price schedule is determined to be
2 invalid by judgment of the Emergency Court of Appeals
3 which has become effective in accordance with section 204
4 (b), any proceeding pending in any court shall be dismissed,
5 and any judgment in such proceeding vacated, to the extent
6 that such proceeding or judgment is based upon violation
7 of such provision. Except as provided in this subsection,
8 the pendency of any protest under section 203, or judicial
9 proceeding under this section, shall not be grounds for stay-
10 ing any proceeding brought pursuant to section 205; nor,
11 except as provided in this subsection, shall any retroactive
12 effect be given to any judgment setting aside a provision
13 of a regulation or order issued under section 2 or of a price
14 schedule effective in accordance with the provisions of
15 section 206.”

16 SUITS FOR DAMAGES

17 SEC. 108. (a) Subsection (e) of section 205 of such
18 Act is amended to read as follows:

19 “(e) If any person selling a commodity violates a
20 regulation, order, or price schedule prescribing a maximum
21 price or maximum prices, the person who buys such com-
22 modity for use or consumption other than in the course of
23 trade or business may, within one year from the date of
24 the occurrence of the violation except as hereinafter provided,
25 bring an action against the seller on account of the over-

1 charge. In such action, the seller shall be liable for reason-
2 able attorney's fees and costs as determined by the court,
3 plus whichever of the following sums is the greater: (1)
4 Such amount not less than one and one-half times and not
5 more than three times the amount of the overcharge, or
6 the overcharges, upon which the action is based as the
7 court in its discretion may determine, or (2) \$50. For
8 the purposes of this section the payment or receipt of rent
9 for defense-area housing accommodations shall be deemed
10 the buying or selling of a commodity, as the case may
11 be; and the word 'overcharge' shall mean the amount
12 by which the consideration exceeds the applicable
13 maximum price. If any person selling a commodity
14 violates a regulation, order, or price schedule prescrib-
15 ing a maximum price or maximum prices, and the buyer
16 either fails to institute an action under this subsection within
17 thirty days from the date of the occurrence of the violation
18 or is not entitled for any reason to bring the action, the
19 Administrator may institute such action on behalf of the
20 United States within such one year period. If such action
21 is instituted by the Administrator, the buyer shall there-
22 after be barred from bringing an action for the same viola-
23 tion or violations. Any action under this subsection by
24 either the buyer or the Administrator, as the case may be,

1 may be brought in any court of competent jurisdiction. A
2 judgment in an action for damages under this subsection
3 shall be a bar to the recovery under this subsection of any
4 damages in any other action against the same seller on ac-
5 count of sales made to the same purchaser prior to the insti-
6 tution of the action in which such judgment was rendered.
7 Notwithstanding any provision of this Act, the Emergency
8 Price Control Act of 1942, or the amendment thereto of Act,
9 October 2, 1942 (Public Law 729, Seventy-seventh Con-
10 gress), all suits for civil damages shall be brought in the
11 district or county in which the defendant against whom sub-
12 stantial relief is sought resides or has a place of business, or
13 office, or agent."

14 (b) The amendment made by subsection (a), insofar
15 as it relates to actions by buyers or actions which may be
16 brought by the Administrator only after the buyer has failed
17 to institute an action within thirty days from the occurrence
18 of the violation, shall be applicable only with respect to vio-
19 lations occurring after the date of enactment of this Act.
20 In other cases, such amendment shall be applicable with re-
21 spect to proceedings pending on the date of enactment of
22 this Act and with respect to proceedings instituted thereafter.

23 REVIEW OF RATIONING SUSPENSION ORDERS

24 SEC. 109. Section 205 of such Act is amended by add-
25 ing at the end thereof the following new subsections:

1 “(g) The district courts shall have exclusive jurisdiction
2 to enjoin or set aside, in whole or in part, orders for suspen-
3 sion of allocations, and orders denying a stay of such sus-
4 pension, issued by the Administrator pursuant to section
5 2 (a) (2) of the Act of June 28, 1940, as amended by the
6 Act of May 31, 1941, and title III of the Second War Pow-
7 ers Act, 1942, and under authority conferred upon him pur-
8 suant to section 201 (b) of this Act. Any action to enjoin
9 or set aside such order shall be brought within five days
10 after the service thereof. No suspension order shall take
11 effect within five days after it is served, or, if an application
12 for a stay is made to the Administrator within such five-day
13 period, until the expiration of five days after service of an
14 order denying the stay. No interlocutory relief shall be
15 granted against the Administrator under this subsection unless
16 the applicant for such relief shall consent, without prejudice,
17 to the entry of an order enjoining him from violations of the
18 regulations or order involved in the suspension proceedings.

19 “(h) It shall be an adequate defense to any suit or
20 action brought under subsections (b), (e), or (f) (2) of
21 this section if the defendant proves that the violation of the
22 regulation, order, or price schedule prescribing a maximum
23 price or maximum prices was neither willful nor the result
24 of failure to take practicable precautions against the occur-
25 rence of the violation.

1 “(i) Nothing in this section shall be construed to de-
2 prive the courts of the power to assess against the defendant
3 the amount of the overcharge.”

4 TITLE II—AMENDMENTS TO THE STABILIZA-
5 TION ACT OF OCTOBER 2, 1942

6 COTTON TEXTILES

7 SEC. 201. Section 3 of the Stabilization Act of October
8 2, 1942, as amended, is amended by adding at the end thereof
9 the following new paragraph:

10 “Any maximum price established or maintained under
11 authority of this Act or otherwise for any textile product
12 processed or manufactured in whole or substantial part from
13 cotton or cotton yarn shall be not less for any specific textile
14 item than the sum of the following: (1) The cost of the
15 cotton or yarn involved, plus the cost of delivery of such
16 cotton or yarn to the point of processing or manufacturing,
17 as determined by the War Food Administrator; (2) a gen-
18 erally fair and equitable allowance for the total current
19 cost of whatever nature incident to processing or manu-
20 facturing and marketing such item, and whenever the Chair-
21 man of the War Production Board or the War Food Admin-
22 istrator has determined such item to be necessary for the
23 war effort or the maintenance of the civilian economy, such
24 allowance shall be computed at a uniform figure that will
25 cover such total current costs in the case of any manufacturer

1 or processor among the manufacturers or processors of at
2 least 90 per centum by volume of such item; and (3) a
3 reasonable profit on such item, in addition to the costs com-
4 puted as provided in clauses (1) and (2). The maximum
5 price established for any textile item under this Act or
6 otherwise shall be adjusted to the extent necessary to con-
7 form with the requirements of this paragraph within sixty
8 days after the date of its enactment. For the pur-
9 poses of this paragraph, the cost of any cotton shall
10 be deemed to be not less than the parity price for such
11 cotton (adjusted for grade, location, and seasonal dif-
12 ferentials); except that for the sixty-day period begin-
13 ning one hundred and twenty days after the date of
14 enactment of this paragraph, and for each subsequent sixty-
15 day period, if the actual current market value of such
16 cotton at the beginning of such period is lower than such
17 parity price, the cost of such cotton during such sixty-day
18 period shall be deemed to be the actual current market value
19 at the beginning of such period, and whenever a change is
20 made in such cost of cotton a corresponding change shall be
21 made in the maximum price for each specific textile item.
22 The method that is now used for the purposes of loans under
23 section 8 of this Act for determining the parity price or its
24 equivalent for seven-eighths inch Middling cotton at the aver-
25 age location used in fixing the base loan rate for cotton shall

1 also be used for determining the parity price for seven-eighths
2 inch Middling cotton at such average location for the pur-
3 poses of this section; and any adjustments made by the
4 Secretary of Agriculture or the War Food Administrator
5 for grade, location, or seasonal differentials for the purposes
6 of this section shall be made on the basis of the parity price
7 so determined. For the purposes of this paragraph, the terms
8 'textile product' and 'textile item' mean any product or item
9 manufactured or processed in whole or substantial part from
10 cotton or cotton yarn by any manufacturer or processor
11 engaged in the manufacture or processing of such product
12 or article from cotton or cotton yarn. Whenever the maxi-
13 mum price established for any item to which this paragraph
14 is applicable is in excess of a price which in the judgment
15 of the Administrator is generally fair and equitable and is
16 also in excess of the lowest maximum price which could be
17 established therefor in accordance with the foregoing pro-
18 visions of this section, the Administrator may reduce the
19 maximum price for such items to a price which in his
20 judgment will be generally fair and equitable, except that
21 such maximum price shall in no event be reduced to a price
22 lower than the lowest maximum price which could be estab-
23 lished therefor in accordance with the foregoing provisions
24 of this section or be reduced to a price which will impede

1 the effective prosecution of the war or the maintenance of the
2 civilian economy.

3 "Whenever the maximum price established for sales at
4 any subsequent level of manufacture, processing, or distri-
5 bution of any commodity which is constituted in whole or
6 substantial part of any textile item is in excess of a price
7 which in the judgment of the Administrator will provide a
8 generally fair and equitable margin at such level of manu-
9 facture, processing, or distribution, then the Administrator
10 may reduce such maximum price to any price which in the
11 judgment of the Administrator will provide a generally
12 fair and equitable margin at such level."

13 SETTLEMENT OF DISPUTES UNDER RAILWAY LABOR ACT

14 SEC. 202. Section 4 of such Act of October 2, 1942,
15 is amended by adding at the end thereof the following new
16 paragraphs:

17 "No action shall be taken under authority of this Act
18 with respect to an increase in any wages or salaries in any
19 case in which such increase has been agreed upon by the
20 employer and employee and will not result in the payment
21 of wages or salaries at a rate greater than \$37.50 per week.
22 For the purpose of the preceding sentence, if the employee
23 ordinarily works overtime and extra compensation is paid
24 therefor, such extra compensation shall be included in deter-
25 mining the rate of wages or salaries paid.

1 "In any dispute between employees and carriers subject
2 to the Railway Labor Act, as amended, as to changes af-
3 fecting wage or salary payments, the procedures of such Act
4 shall be followed for the purpose of bringing about a settle-
5 ment of such dispute. Any agency provided for by such
6 Act, as a prerequisite to effecting or recommending a settle-
7 ment of any such dispute, shall make a specific finding and
8 certification that the changes proposed by such settlement or
9 recommended settlement are consistent with such standards as
10 may be then in effect, established by or pursuant to law, for
11 the purpose of controlling inflationary tendencies. Where
12 such finding and certification are made by such agency, they
13 shall be conclusive, and it shall be lawful for the employees
14 and carriers, by agreement, to put into effect the changes
15 proposed by the settlement or recommended settlement with
16 respect to which such finding and certification were made."

TERMINATION DATE

18 SEC. 203. Section 6 of such Act of October 2, 1942,
19 is amended by striking out "June 30, 1944" and substitut-
20 ing "December 31, 1945".

LOAN RATE FOR AGRICULTURAL COMMODITIES

22 SEC. 204. (a) Section 8 (a) (1) of such Act of Octo-
23 ber 2, 1942 (relating to loans upon cotton, corn, wheat, rice,
24 tobacco, and peanuts) , is amended by striking out "at the rate
25 of 90 per centum of the parity price" and inserting in lieu

1 thereof "at the rate of 95 per centum of the parity price".
2 The amendment made by this subsection shall be applicable
3 with respect to crops harvested after December 31, 1943.
4 In the case of loans made under such section 8 upon any
5 of the 1944 crop of any commodity before the amendment
6 made by this subsection takes effect, the Commodity Credit
7 Corporation is authorized and directed to increase or pro-
8 vide for increasing the amount of such loans to the amount
9 of the loans which would have been made if the loan rate
10 specified in this subsection had been in effect at the time
11 the loans were made.

12 (b) Section 4 (a) of the Act entitled "An Act to
13 extend the life and increase the credit resources of the
14 Commodity Credit Corporation, and for other purposes",
15 approved July 1, 1941, as amended (relating to supporting
16 the prices of nonbasic agricultural commodities), is amended
17 by striking out "90 per centum" and inserting in lieu thereof
18 "95 per centum". The amendment made by this subsection
19 shall, irrespective of whether or not there is any further
20 public announcement under such section 4 (a), be appli-
21 cable with respect to any commodity with respect to which
22 a public announcement has heretofore been made under
23 such section 4 (a).

24 SEC. 205. Section 3 of the Act of October 2, 1942

1 (Public Law 729, Seventy-seventh Congress), is hereby
2 amended by adding a new paragraph to read as follows:

3 "PERISHABLE COMMODITIES

4 "Whenever a maximum price is established on any fresh
5 fruit or fresh vegetable, including potatoes, adequate allow-
6 ances shall be made for hazards of production and market-
7 ing of such commodities throughout the crop year, including
8 increased costs due to crop losses which have resulted or
9 may result from such hazards. If a maximum price has
10 been established on any such commodity, the Price Ad-
11 ministrator shall take immediate action to review and increase
12 such maximum price from time to time by making further
13 allowances to the extent necessary to compensate for sub-
14 sequent substantial changes in such conditions including sub-
15 stantial reductions in merchantable crop yields."

Passed the Senate June 9 (legislative day, May 9),
1944.

Attest:

EDWIN A. HALSEY,

Secretary.

By JOHN C. CROCKETT,

Chief Clerk.

AN ACT

To amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

JUNE 9 (legislative day, MAY 9), 1944

Ordered to be printed as passed by the Senate

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 12, 1944, for actions of Saturday, June 10, 1944)

(For staff of the Department only)

CONTENTS

Appropriations.....3	Monopolies.....2	Rationing.....7,14
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Cooperatives.....9	Post-war planning.....8,10	Subsidies.....1
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HOUSE

PRICE-CONTROL EXTENSION. Continued debate on H.R. 4941, to extend the Price Control and Stabilization Acts (pp. 5769-820).

Agreed to the following amendments: By Rep. Hartley, N. J., 157-31, to "eliminate the high-price-line regulation" which has forced "low-price goods... off the market" (pp. 5771-81); By Rep. Disney, Okla., 123-57, relating to price ceilings on petroleum and requiring them to be not less than 80% of parity and not more than parity (pp. 5781-9); by Rep. Springer, Ind., 71-42, prohibiting price ceilings on any article of property sold by any administrator, etc., of any court, under the order of such court (pp. 5789-90); by Rep. Rivers, S. C., requiring OPA to "give to growers of...agricultural commodities... 15 days notice, by newspaper...prior to the normal planting season", before the establishment or lowering of any maximum price ceiling (pp. 5801-2); and by Rep. Kleberg, Tex., 83-38, providing that it shall be unlawful to pay any subsidy to the producer of any product manufactured from any agricultural commodity unless such producers shall, before receiving such subsidy payment, submit evidence that he has paid to the producer of such agricultural commodity, prices that are not below the price standards established by Public Law 729, 77th Cong., and prohibiting the payment of any subsidy either directly or indirectly which is not authorized by law (pp. 5802-5).

Rejected the following amendments: By Rep. Larcade, La., to prohibit price ceilings on rough rice (pp. 5790-2); by Rep. Jennings, Tex., 43-76, "relating to the powers of the [Price] Administrator, especially with respect to the imposition of penalties" (pp. 5792-800); and by Rep. Andresen, Minn., 43-54, providing that all retail distributors shall have the full benefit of the lowest wholesale price established by OPA on any commodity or article to be sold at retail (pp. 5800-1).

Rep. Weichel, Ohio, criticized OPA's price regulations on turkeys and inserted them in the Record (pp. 5805-20).

- 2 -
2. MONOPOLIES. Rep. Voorhis, Calif., criticized monopolies and cartels (pp. 5820-1).
 3. LEGISLATIVE PROGRAM. Majority Leader McCormack announced that he hoped the price-control bill will be disposed of Mon., June 12; the War Department appropriation bill will be in order for Tues.; the war contract termination bill will follow the War Department appropriation bill on Wed.; and the deficiency bill will be reported on Sat.; and he stated, "After we get through with the War Department appropriation bill...we may be able to dispose of some of the conference reports" (pp. 5821-2).
 4. COCONUT OIL TAXES. Ways and Means Committee reported without amendment H.R. 4837, to extend for an additional 2 years the suspension in part of the processing tax on coconut oil (H. Rept. 1621) (p. 5822).
 5. WAR CONTRACTS. Rules Committee reported without amendment a resolution providing for the consideration of S. 1718, settlement of terminated war-contract claims (pp. 5769, 5823).

SENATE

NOT IN SESSION. Next meeting Mon., June 12, 1944.

BILL INTRODUCED

6. VETERANS. By Rep. Lesinski, Mich., H.R. 4999, to increase the service-connected disability rates of pension for certain Regular Establishment veterans. To Invalid Pensions Committee. (p. 5823.)

ITEMS IN APPENDIX

7. PRICE CONTROL. Speech in the House by Rep. Smith, Va., criticizing OPA ceiling prices on slaughtered livestock (p. A3164).
Rep. Rowan, Ill., inserted a petition urging the continuation of the Emergency Price Control Act (p. A3165).
Extension of remarks of Rep. Wolverton, N. J., favoring the extension of the Emergency Price Control Act without any weakening amendments (p. A3166).
Rep. Hagen, Minn., inserted J. A. Baikie's (rationing board chairman, Minn.) letter to Chester Bowles urging that more information be given to farmers indicating their relationship as consumers in the price-control and rationing programs (pp. A3175-6).
Speech in the House by Rep. Barden, N. C., on fish prices as related to the Emergency Price Control Act (p. A3170).
8. FORESTRY. Rep. Halleck, Ind., inserted his address before the National-American Wholesale Lumber Assn. concerning problems facing the lumber industry in the post-war period (pp. A3176-8).
9. COOPERATIVES. Extension of remarks of Rep. Bradley, Mich., including a constituents' petition criticizing Government-subsidized cooperatives (p. A3168).
10. POST-WAR PLANNING. Rep. Lesinski, Mich., inserted Col. W. F. Rockwell's proposed Post-war unemployment compensation plan (pp. A3173-4).
11. FOOD PRODUCTION. Rep. White, Idaho, inserted an Idaho Advertising Commission's report to Idaho potato growers commending potato production in the state (pp. A3178-9).

Burdick	Heldinger	Morrison, N. C.
Capozzoli	Herter	Murphy
Chapman	Holifield	Norton
Clark	Horan	O'Connor
Clason	Izac	Patman
Cox	Johnson, Okla.	Peterson, Ga.
Dawson	Johnson, Ward	Pfeiffer
Dies	Kee	Philbin
Dirksen	Kennedy	Plumley
Ellis	Keogh	Pracht,
Fay	King	C. Frederick
Fish	Klein	Sabath
Forand	Lane	Scott
Ford	LeFevre	Short
Fulbright	Lemke	Smith, W. Va.
Fuller	Lewis	Starnes, Ala.
Gale	Luce	Stearns, N. H.
Gallagher	McCord	Stewart
Granger	McGehee	Taylor
Green	McMurray	Torrens
Gross	Magnuson	Treadway
Hall,	Merritt	Ward
Leonard W.	Morrow	White
Harless, Ariz.	Miller, Nebr.	Whitten
Hébert	Morrison, La.	

Three hundred and forty-seven Members have answered to their names, a quorum.

By unanimous consent, further proceedings, under the call, were dispensed with.

Mr. RANKIN and Mr. COLMER rose.

The SPEAKER. The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

SETTLEMENT OF WAR CONTRACT CLAIMS

Mr. COLMER, from the Committee on Rules, submitted the following report on the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes (Rept. No. 1620), which was transferred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RANKIN. Mr. Speaker—

The SPEAKER. The Chair announced before the call of the House that after the roll call he was going to recognize the gentleman from Kentucky [Mr. SPENCE], that he could not recognize Members further to make 1-minute speeches.

Mr. RANKIN. I merely want to make an announcement I believe is of interest to the House. I shall ask the gentleman

from Kentucky to yield when we go into the Committee.

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4941, extension of the Emergency Price Control Act of 1942, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. RANKIN. I merely want to make this statement for the information of the membership: The conferees have agreed on the veterans' bill known as the G. I. bill. It is our intention to take up the conference report on next Tuesday. If we do not get through with it on Tuesday, we expect to let it go over until Thursday because of the fact that Wednesday is Flag Day.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MARTIN of Massachusetts. Can the gentleman tell the House whether it is a unanimous report?

Mr. RANKIN. I may say to the gentleman from Massachusetts that the report is unanimous.

Mr. ROLPH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROLPH: Page 11, line 2, strike out the period, insert a comma, and the following: "but may not restrict the right of recovery of possession of housing accommodations where the conduct of the occupant is contrary to law, or grossly obnoxious to other occupants, or damaging to or destructive of the premises."

Mr. ROLPH. Mr. Chairman, this is the "control of property" amendment, differing somewhat from the "control of property" amendment offered in committee. I desire to read section (g) as it will read with my amendment:

Regulations, orders, and requirements under this act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof, but may not restrict the right of recovery or possession of housing accommodations where the conduct of the occupant is contrary to law, or grossly obnoxious to other occupants, or damaging to or destructive of the premises.

When an owner enters into a contract with a tenant he does so in good faith, assuming the tenant will take proper care of the property. In 99.5 percent of the cases the tenants do take reasonable care. The tenant considers the property as his home. He is happy in it and proud

to be living in comfortable accommodations, but, in rare instances, tenants become obnoxious and abuse property. Up to the present time, under O. P. A. regulations, owners have been unable to get proper relief in the courts. This amendment is designed to give owners the opportunity of presenting their cases, being heard, and getting rid of grossly obnoxious tenants.

I shall read a statement in connection with an actual case in Washington. While it is true that Washington operates under different rent-control regulations than the general O. P. A. set-up throughout the United States, the same case might happen in any city in the country. This statement is dated June 5, 1944, and I shall not, of course, read the names of the people, but if any Members want to verify the circumstances, they are at perfect liberty to have further details privately. The statement reads as follows:

JUNE 5, 1944.

My husband and I live at Washington, D. C. This building is a four-family flat. We have been disturbed on numerous occasions (two or three times a week) by music, loud and obscene talk, and miscellaneous noise emanating from the apartment occupied by a Mrs. _____ and her daughter _____, who live on the first floor of the building. This disturbance occurs in the early morning hours, between 2 and 4 o'clock a. m.

We complained to the owners of the building, who say they wrote a letter to Mrs. _____. The noise continued, so on one occasion (May 27, about 3:30 a. m.) we called the police, who requested that Mrs. _____ turn off her radio and quiet down. After the police left, Mrs. _____ called up the air shaft in a voice loud enough to be heard outside the building, daring me to come down, threatening to kill me if and when I did come down, and calling me numerous obscene names. I notified the owners again, but upon being told that it was very difficult for them, under present O. P. A. regulations, to evict a tenant, I felt it necessary to take it to the district attorney. When the case came before the district attorney, he bound Mrs. _____ over to the peace for a period of 2 months. However, this action on my part was very inconveniencing, causing my husband, my neighbor across the hall, one of the policemen who answered our call, and myself to lose time from work.

Mr. Chairman, that statement is typical of correspondence reaching the desks of many Members. My amendment will correct this situation. Owners will be in position to get rid of obnoxious tenants.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from California.

Mr. VOORHIS of California. Suppose the gentleman's amendment is adopted. Under those circumstances it would be necessary, as it is now and as it always has been, for any landlord to make proper showing before his local court prior to the time any action might be taken?

Mr. ROLPH. That is right.

Mr. VOORHIS of California. In other words, the effect of the gentleman's amendment would only be to say that such cases could be handled through the local court in the way they have been handled in the past; is that not correct?

Mr. ROLPH. Yes; but the way it has been working out, I am informed, is that the O. P. A. has been making it almost impossible for aggrieved parties to get proper action.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

Mr. Chairman, just as yesterday when I felt reluctant to rise in opposition to an amendment on rent control introduced by the gentleman from California [Mr. Izac] so do I feel reluctant today to rise in opposition to this amendment, introduced by another Member of this House from my own State; however, I do so in this case because the amendment in question, it seems to me, is entirely unnecessary.

I should like to cite for the benefit of the Members of the House the grounds upon which an eviction without authority from the area rent director are now available:

(1) Nonpayment of rent; (2) the tenant's refusal to sign a renewal lease on the same terms; (3) unreasonable refusal by the tenant to show the premises to a prospective purchaser or mortgagee; (4) the violation by the tenant of a substantial obligation of his agreement and a failure to cure such violation after notice; (5) and this is especially important in view of what the amendment proposes to know: The commission or permission of a nuisance; (6) using the premises for an immoral or illegal purpose; (7) where the tenant has subleased the dwelling and does not live in it at the expiration of the lease; (8) desire of the landlord to demolish the premises or to alter or remodel it in a manner which cannot be practicably done with the tenant in occupancy and (9) self-occupancy by an owner, except where property is duly acquired and the regulations in section 6 (b) (2) previously discussed are operative.

Mr. Chairman, it seems to me that the proposed amendment which states that where the conduct of the occupant is contrary to law is taken care of under the present eviction provision as follows:

(6) Using the premises for an immoral or illegal purpose.

The second portion of the amendment having to do with damage to or destruction of the premises is taken care of by the following paragraph:

The commission or permission of a nuisance. A tenant who is obnoxious may be evicted either on the ground that he is committing a nuisance or is violating a substantial obligation of tenancy.

The case to which the gentleman called attention is doubtless correct in every respect. I have had complaints too where tenants have badly damaged property and where they should have been put out. The rent-control law is supposed to be equitable both to the tenant and owner. In those cases where the individual has failed to take his case to the local court in sufficient time, it seems to me that the Price Administrator can hardly be blamed.

Mr. ROLPH. Will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from California.

Mr. ROLPH. I compliment the gentleman on his statement, but I would

like to ask him the question: If this law is so perfect why have we so many complaints?

Mr. OUTLAND. That, of course, is a question I cannot answer completely. I would say that in many cases the landlords or owners are probably not sure of the grounds upon which eviction can be made. The ones I have cited, for example, should be publicized. The owners of property should know the grounds upon which they can get rid of tenants. When a man destroys property or when a man is making himself a nuisance the grounds are right there and the Rent Control Administrator does not even step into the picture.

Mr. ROLPH. I agree with the gentleman. What we are trying to do is to get fair treatment for the owner and tenant alike.

Mr. OUTLAND. That is right.

Mr. ROLPH. My amendment will help the situation and eliminate a lot of these cases and protect owners against obnoxious tenants.

Mr. OUTLAND. Will the gentleman tell me where his amendment would add anything that is not covered under the present grounds for eviction?

Mr. ROLPH. Yes. The courts decide that. This is an amendment which would clarify the situation and eliminate the practice of attorneys for the O. P. A. constantly appearing and taking the position of these tenants who are obnoxious, thus giving no relief to an aggrieved owner.

Mr. OUTLAND. On these grounds I have mentioned, that is, if a tenant has violated a substantial obligation of his agreement, if the tenant is using the premises in the commission or permission of a nuisance or using the premises for an immoral or an illegal purpose, eviction can be had right now.

Mr. ROLPH. This will just clarify it and smooth out the legality of the whole situation.

Mr. OUTLAND. If I felt the amendment would do that I certainly would not raise a single objection. However, it appears to me that it will do far more harm than good. I ask that the amendment be voted down. When we go back into the House I shall ask unanimous consent to include as part of my remarks an O. P. A. legal interpretation regarding the subject I have been discussing.

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C.

MEMORANDUM

To: All regional rent executives, regional and rent attorneys, area rent directors, and area rent attorneys.

From: George E. Palmer, associate general counsel for rent.

Subject: Interpretation 6 (a) (3)-i: Eviction of tenant whose conduct is objectionable to other occupants of the same building.

Questions have arisen concerning the eviction of a tenant who over a period of time has conducted himself in a manner which is objectionable to other persons living in the same building. Where under all the circumstances the tenant's conduct is wholly unreasonable, and interferes substantially with the comfortable enjoyment by other persons of normal sensibilities of premises which they occupy in the same building, it is not the purpose of Section 6 of the rent

regulations to protect the possession by the tenant.

Under section 6 (a) (3) (ii) of the rent regulations, the tenant may be evicted, after proper notices have been given pursuant to section 6 (d) of the Housing Regulation or section 6 (c) of the Hotel Regulation, if he is committing or permitting a nuisance. Whether conduct such as that just described constitutes a nuisance is for the local court to decide should the landlord file an eviction action based upon section 6 (a) (3) (ii) of the rent regulation. Section 6 (a) (3) (ii) contemplates that a tenant may be evicted if he is committing or permitting a legal nuisance and the decision of this issue depends upon the law of the jurisdiction concerned.

Under section 6 (a) (3) (i) the tenant also may be evicted if he has violated a substantial obligation of his tenancy; however, in such case, in addition to the notices required by section 6 (d) of the Housing Regulation or section 6 (c) of the Hotel Regulation, eviction is authorized only where the tenant continues or fails to cure the violation after the landlord has given him written notice to cease such violation. Whether there is a particular obligation of the tenancy, express or implied, will depend primarily upon the terms of the rental agreement and local law.

Where a tenant has conducted himself in the manner described above, some courts have given judgment for the landlord in an eviction action based upon section 6 (a) (3) of the regulation. In some instances this has been done on the ground that the tenant was committing a nuisance; in others on the ground that the tenant was violating a substantial obligation of his tenancy. These decisions are consistent with the purposes of the rent regulations.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has never been conceded that O. P. A. has any jurisdiction whatsoever over ouster proceedings except where there is an affiliation between the ouster and the violation of a maximum rent. What we had in mind in this connection were what are referred to as fake sales, where a proposed tenant and a landlord would conspire to increase the rent by going through the motions of making a fake down payment and entering into a fake contract of sale or second trust, thereby evading the maximum rentals.

In subsection (d) of section 2 of the Emergency Price Control Act we provided as follows:

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this act.

The regulating of the practice with respect to the recovery of possession is authorized only when, in the judgment of the Administrator, such action is necessary or proper to effectuate the purposes of the act, which, of course, is to stabilize the rents. His authority stops there.

If the gentleman's amendment is adopted, we say "but may not restrict

the right of recovery or possession of housing accommodations where the conduct of the occupant is contrary to law, or grossly obnoxious to other occupants, or damaging to or destructive of the premises."

We recognize by the adoption of this amendment that the O. P. A. has jurisdiction to regulate recovery of possession in all other cases by stating that he shall not restrict the right to recover in these particular cases. We recognize his right to regulate the recovery or possession in all other cases. Instead of being a limitation upon the Administrator, it is such a broadening of his power that I, for one, do not want to go along with it, because I think that inferentially and under the interpretations which courts have always placed upon such language, we broaden the power of the Administrator in respect to the recovery or possession of real estate.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. ROLPH. The gentleman refers to defense housing. As a matter of fact, the O. P. A. controls the rental of all housing in defense areas.

Mr. WOLCOTT. If I said "defense housing," of course, I meant housing in defense rental areas. He has no jurisdiction in law over rentals outside of any area which has been designated as a defense rental area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROLPH].

The question was taken; and on a division (demanded by Mr. ROLPH) there were—ayes 39, noes 86.

So the amendment was rejected.

Mr. HARTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARTLEY: Page 12, after line 2, insert the following:

"(k) Nothing in this act shall be construed to require any person to sell any commodity or to offer any accommodations for rent, or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect."

Mr. HARTLEY. Mr. Chairman, I regret the fact that a thumping headache, which is wracking my body, prevents me from presenting this amendment as effectively as I should like.

This amendment calls for the elimination of the high-price-line regulation now in effect in O. P. A. What is the high-price limitation? It is a restriction to certain lines of goods, prohibiting the sale of such goods above the price ranges carried during some given base period. In retailing, the base period is March 1942. Such limitations now exist in MPR 330 and 3 or 4 other price orders.

This high-price limitation does not restrict the high-price stores from making sales. It does not prohibit any Johnny Come Lately or newcomer from selling at high prices. It does not prohibit a retailer who did not handle these certain goods during the base period from carrying a high-price line. The high-

price-line limitation was intended by the theorists in the O. P. A. to keep low priced goods on the market. However, the practical effect has been just the opposite. Low-price goods have gone off the market, and that is admitted by the Office of Price Administration.

The high-price-line limitation has been inflationary. Let me show you the practical effect. The high-price-line limitation provides that if, for example, a certain merchant sold cotton dresses for no more than \$2 during the base period, today he cannot sell any cotton dress for more than \$2, but if his competitor, in the same community, and in the same block, during the base period, sold cotton dresses up to \$5 and \$6, today he may sell a dress for \$4.98 that the low-price handler of merchandise cannot, under the high-price limitation, sell for \$2.98.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Michigan.

Mr. DONDERO. Would it be the same dress?

Mr. HARTLEY. It would be the same dress. We have made a survey throughout the United States and we can show garment after garment that could be sold for \$2.98 and \$3.98 that is being sold in the higher-priced stores for \$4.98 and \$5.98. The practical effect has been to force the women of this Nation to go into the higher-priced stores and pay higher prices for the garments than if the high-price limitation was not in effect.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. I would just like to say that I have given considerable study to this proposition. I think the gentleman's amendment is well taken and should be adopted. As I understand the working of this regulation, if the retailer in the base period had a maximum price of \$2.98 for a dress—and today he cannot get the dresses in that price range—then under the regulation he is prohibited from seeking a higher price line of dresses, and hence kept out of the picture altogether.

Mr. HARTLEY. That is absolutely correct. While the Price Administrator is preparing a new regulation which is supposed to correct this high-price line limitation, let me tell the Committee this afternoon that the Administrator and his predecessor have for one year and a half been promising relief from the high-price line limitation, but they have failed to provide any relief whatsoever. I insert here correspondence between W. T. Grant Co. and Administrator Bowles from September 7, 1943, until May 29, 1944, as an example of promise and disappointment:

SEPTEMBER 7, 1943.

Mr. CHESTER BOWLES,
General Manager, Office of Price
Administration, Washington, D. C.

DEAR Mr. BOWLES: As you undoubtedly know, on August 9 the Enforcement Division of the O. P. A. obtained an injunction from the district court against the W. T. Grant Co., alleging violation of the price-line provisions of MPR 330. On August 11 I discussed

this with Mr. Burke, general counsel of your staff, not particularly the action itself, but the broader questions involved. This I did because it has been our company policy to cooperate with O. P. A. and I felt that all of the factors might not be fully understood by some of the O. P. A. staff. It had not been my intention to seek further discussion, but as we in the Grant Co. have further studied the matter I have become convinced that I would be remiss did I not again call attention to the price-line provisions of MPR 330, which I sincerely believe to be contrary to the best interests of the buying public and actually a handicap in the administration of price control itself.

Expressed in simple terms, it is my understanding that the intended benefit of the price-line limitation provision was to assure to customers price lines which had previously been available. The provision is failing increasingly to do this. The lower price lines are day by day becoming unavailable. If you will refer to the simple table enclosed showing what has happened in the manufacturing field in some of the most important categories, it will be obvious to you that this is true. This information was taken from directories of manufacturers, and while it may not be 100-percent accurate in every case, its general truth is substantiated by the experience of merchandise buyers.

Moreover, instead of helping to make price control effective, the regulation tends to make it necessary for customers to buy at higher prices. Primarily, two groups of companies are affected by it, small merchants and mass distributors of goods. Because I am familiar with the latter I will confine my discussion to them. As a group these are low-cost distributors and consequently they operate on lower than average mark-ups. If they are prevented from competing in price lines higher than they formerly carried, which are in many cases the lowest or among the lowest price lines now available, the public will be denied the privilege of buying these goods at the low prices at which these distributors could afford to sell them.

Specifically, consider a case in the Grant Co. experience. On only one occasion have we been asked by O. P. A. to remove goods from sale. The merchandise was a line of women's coats selling at \$16.98. We removed the coats from sale at once, and on the same day we purchased in a department store in the same city an identical coat made by the same manufacturer and carrying the same labels, which was selling at the store's regular price of \$19.98. This is not intended as a criticism of the price asked by the department store, as, like other department stores, it offers services such as credit and deliveries which the Grant Co. does not offer. But will that part of the public which, because of limited income or other reasons, wishes to purchase at the lower price be happy if it is prevented by an O. P. A. regulation from doing so? This instance is not an isolated one; it is typical of the actual working of the regulation in preventing customers from buying merchandise from the lowest-cost distributors.

There may be concern within the O. P. A. that if the price-line limitation were eliminated large retail companies selling lower-price merchandise would move completely or very largely into higher-price lines. I can speak very definitely for the W. T. Grant Co., as well as from discussion with members of other companies, and I feel very sure that this would not happen. The entire experience of the management of these companies, the foundation of their success, is so definitely tied to the selling of merchandise in the lower price lines that together they are, I believe, except for O. P. A. itself, by far the greatest force in the country today in keeping prices down.

This letter is longer than I wish it were. Actually, however, I have not covered a great

deal which could be included, particularly as to the unfair and arbitrary basis for determining what price lines a company may carry.

This is not an appeal for any special consideration for the W. T. Grant Co. We have prepared our case for litigation, and if in the courts we should not be able to establish our right to sell merchandise in the price lines we now carry, we shall, in our own interest, be obliged to carry our case to the public. In this latter action we will, I am sure, be joined by many other groups and individuals. However, I still hope, as I told Mr. Burke, that a common ground of understanding with O. P. A. can be found so that the real purpose of the Emergency Price Control Act, price control itself, may be furthered. Individuals in the Grant Co. have worked with officials of O. P. A. almost from its inception, and we hope that we may be privileged to continue to do so. We feel strongly that further study and consideration of MPR 330 will better serve everyone, particularly the buying public, than can litigation and controversy.

As I previously talked with Mr. Burke, I am sending a copy of this letter to him. Possibly it should have been addressed to him, but since the time is short until September 14, when we must answer the complaint that has been filed against us, I have presumed to send it directly to you.

Very truly yours,

R. H. FOGLER, *President.*

APRIL 28, 1944.

The Honorable CHESTER BOWLES,
*Administrator, Office of Price
Administration, Washington, D. C.*

DEAR MR. BOWLES: This is not intended to be antagonistic, but I do wonder whether you have any realization of the evasion, unfilled promises, delays, and confusion in connection with the highest price-line limitation order. For that reason I am anxious to recite to you the sequence of our experience since Mr. Seidel, Mr. Rynbrand, and I saw you in your office on January 26.

At that time we were told that prompt action would be taken. Even before going into your office Mr. Field advised that it would be unnecessary to see you as the matter was being given prompt attention. After talking with you we spent several hours in discussion with Messrs. Gitchell and Creighton and were advised that the matter would be definitely decided during the week of February 17.

On February 5, Revised Supplementary Order 13 was issued by O. P. A., and seeking a clarification of this order Mr. Seidel wrote on February 15 to Mr. Gitchell asking for an interpretation of the order as it affected our company. No answer to this letter has as yet been given; in fact, an answer has been revised even though at a hearing before a subcommittee of the Select Committee to Investigate Executive Agencies (the Smith committee) Mr. Gitchell advised that we would receive a reply to the letter in less than 10 days.

Mr. Seidel was invited to spend February 21 and 22 in consultation with members of the staff of O. P. A. on matters of price control. Approximately a half day of this time was spent in discussing price-line limitation with eight members of Mr. Gitchell's staff, and during the discussion he was advised that it would take a few more days before any answer could be given.

On February 29 at the annual meeting of the American Retail Federation you announced that you had appointed a committee of five O. P. A. executives to meet with retailers and consider the problem of highest price-line limitation and that this committee would settle the matter once and for all.

On March 10 Mr. Gitchell in a hearing before the subcommittee of the Smith committee advised that the special committee which

you had appointed would meet on March 16 and that final decision would certainly be made by April 1.

On April 1 Mr. Gitchell advised that decision could be expected by April 5.

On April 5 Mr. Gitchell advised that decision would be made without fail during that week.

After a number of subsequent calls, on April 18 Mr. Gitchell stated that the decision would be published on April 19.

In a press release of April 26 you have now advised that changes in the regulations are to be made and have stated that the Consumers' Division of O. P. A. is to prepare within 30 days the orders to implement the changes.

The only claim that any person of O. P. A. has ever made in any of our discussions in justification of the price-line limitation was that it helped to prevent price increases in the lines covered and that it helped to maintain low-priced merchandise in the market. Never has any factual information been given to substantiate these claims. On the other hand, information has been presented showing definitely that the prices of the lines covered by the price-line limitation have increased more than the prices of merchandise not covered, and further that many of the lower-price lines of covered merchandise have completely disappeared from the market.

I recognize the difficulties of your position and the great number of problems that are involved in price control, but I believe that when you review the above, keeping in mind the passage of time from January 26 to April 26, and the fact that we are now faced with up to 30 more days of uncertainty, you will feel as I do that only one of two conclusions is possible: There is either very bad administration or a complete lack of sincerity.

Very truly yours,

R. H. FOGLER, *President.*

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., May 10, 1944.

In reply refer to 253.

W. T. GRANT Co.,
New York, N. Y.

(Attention Mr. R. A. Seidel, comptroller.)

GENTLEMEN: We have received your letter of February 15 addressed to Mr. Byres H. Gitchell, which requests permission for you to establish uniform price-line limitations for all of your stores. The permission is requested under Revised Supplementary Order No. 13, section 1305.17. You state that your attorneys interpret section 1305.17 to mean that this Office will issue such an order upon the proper showing.

I regret to inform you that your request must be denied. You will note that paragraph (d) of that section requires that although recipients of orders under this supplementary order may establish uniform item-by-item maximum prices for all of the stores, yet they must, under Maximum Price Regulation No. 330, prepare and keep highest price-line records for each individual outlet. From this it is clear that under this supplementary order permission cannot be given to revise highest price-line limitations for individual outlets. I am sure you will agree that it would be highly discriminatory, as far as individual stores which are not part of a chain are concerned, if highest price-line limitations for chain stores were to be revised under the guise of central pricing. As you are aware, the highest price-line limitation, as such, is being carefully studied in this office at this time. The general statements which you make in your letter with regard to its operations and to its effect on the cost of living are being considered in that connection.

If, regardless of the fact that an order of authorization for uniform pricing will not allow you to use the highest price lines in

all your stores which may have been established by any store, you wish to renew your application for such an order, we shall be happy to discuss the matter with you.

Sincerely,

CHESTER BOWLES,
Administrator.

MAY 12, 1944.

Refer to 253.

Mr. CHESTER BOWLES,
*Administrator, Office of Price
Administration, Washington, D. C.*

DEAR MR. BOWLES: This will acknowledge and thank you for your letter of May 10 which replies to our letter of February 15, addressed to Mr. Byres H. Gitchell.

We regret that you have seen fit to deny this request because we feel that granting it would have been clearly in the best interests of price control. On the other hand, we certainly would not want you to take any action that was discriminatory in favor of the chain stores. Our application was prepared strictly in accordance with the language contained in Revised Supplementary Order 13 which makes no mention of highest price line limitation as a condition precedent to approval of a merchant's "practical method of determining prices centrally without increasing the general level of prices * * * as an aid to price control." Certainly there is no question but what permitting us to sell goods to the consuming public at lower prices than are now legally permitted to be charged by competitors would be an aid to price control and in the interests of the consuming public.

We respectfully take exception to the following portion of your letter: "yet they must, under Maximum Price Regulation No. 330, prepare and keep highest price line records for each individual outlet."

Maximum Price Regulation 330 contains no such requirement. The regulation clearly defines a seller and we, of course, contend that we as a company are one seller. We do not have records of sales of units of merchandise by individual stores, nor do we know of any legal requirement that we maintain such records.

It has been possible for us to maintain uniform prices in all of our stores without a central pricing order and if the issuance of such an order would require restrictions upon our operation not contained in existing regulations, it would seem desirable not to make such application.

You no doubt are well aware of the fact that as yet we have received no relief from the highly discriminatory and inequitable effects of the highest price line limitation, although we have received almost continuous promises of relief for more than a year and a half.

Sincerely yours,

W. T. GRANT Co.,
R. A. SEIDEL, *Comptroller.*

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., May 23, 1944.

Mr. R. H. FOGLER,
President, W. T. Grant Co., New York, N. Y.

DEAR MR. FOGLER: I am very much disturbed by your letter of April 28. I am sorry that it has taken me so long to reply. As you know, I have for more than 3 weeks been so involved in the hearings before the Senate and House Banking and Currency Committees that it has been extremely difficult for me to keep up with my correspondence and with the routine problems of the office.

First of all, let me say that the chronology of events recited in your letter in connection with the proposed modifications of the highest price-line limitation order is absolutely correct. There is no dodging the fact that we have taken a long time to develop a definite answer to a problem of great concern to low-priced clothing retailers. I do not believe, however, that it can be said of my staff

that they are guilty of either very bad administration or a complete lack of sincerity.

Mr. Brownlee and Mr. Gitchell, in whose good faith and judgment I have entire confidence, are businessmen of long experience showing a high order of administrative ability. They have been faced with an extremely complex issue to which there is no simple answer. On the one hand, we must protect consumers against the practice of unrestricted shifting from lower-priced to higher-priced merchandise. On the other hand, we must avoid injustice to retail outlets which have traditionally specialized in lower-priced clothing lines and which are now unable to secure this merchandise in the same volume or with the same ease that they did in pre-war years.

We have hoped that the joint efforts of the O. P. A. and the W. P. B. would restore the production of low-priced apparel sufficiently to make both the reasons for and the reasons against the highest price-line limitation order somewhat less compelling than they have seemed to both the proponents and the opponents of revision of the order.

Thus far, our efforts to restore this production have not met with conspicuous success. Consequently, the O. P. A. committee which I established, under the chairmanship of Mr. Brownlee, recommended to me the compromise modification of MPR 330, with which you are familiar.

The application of this principle has required the accumulation of data before it could be put into practice. We have had conferences with retail trade representatives who have assisted us in developing the necessary data. I assure you that the revision of the order will be in effect within the prescribed 30-day period, that is, by May 27.

Sincerely,

CHESTER BOWLES.

MAY 29, 1944.

The Honorable CHESTER BOWLES,
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. BOWLES: I appreciate very much your letter of May 23 with its assurance that the revision of MPR 330 will be made on schedule and with the information which it contains in regard to your problems.

While the delays that have occurred must, I think, inevitably reflect on the administration of the agency, it was not my intent in my letter to question the good faith of any individual. I have known of Mr. Gitchell for a relatively long time and have had frequent contacts with him since he joined the staff of O. P. A. I have never doubted his good faith or integrity. I do not know Mr. Brownlee, but I have never heard anything which would lead me to doubt him in either respect.

But obviously they and you have a different concept from mine of what action is to be taken when failure occurs. Instead of continuing a failure I believe that MPR 330 should have been eliminated long ago.

You state that no adequate substitute for the regulation has been suggested. Certainly it has been suggested over and over again that price control would be better served by removing the restrictions on the free competition of companies which regularly sell ready-to-wear at less than the customary margins. With or without a substitute, why continue a failure when the investigation made by the National Industrial Conference Board shows conclusively that the prices of merchandise which has not been under price-line limitation have been better controlled than those which have been under price-line limitation.

You have said that you were disturbed by my letter. One part of your letter has disturbed me. You state that we must protect consumers from unrestricted shifting from lower-priced to higher-priced merchandise. The inference in this, as I interpret it, is

that the companies which distribute low and medium price ready-to-wear wish to discontinue these lines. In making such an inference I believe you overlook the fact that the real reason for the reduced quantity of low-price ready-to-wear lines is the disappearance of the fabrics from which they can be made and the tremendous increase in the cost of production. I know it is true of the Grant Co., and I am confident that it is true of the other large distributors of low-priced ready-to-wear, that we are not only willing but anxious to buy every garment which is serviceable and in demand that can be produced in lower price ranges.

I have continuously been disturbed by the inequity of a regulation that permits the chance circumstance of the lines carried at some base period, or the chance circumstance of having been already established in business or of being new, to determine whether specific price lines may be sold.

I have also been disturbed that any regulation can exist under the guise of price control which compels a company like ours to fight for the right to sell merchandise at lower prices than it is customarily sold by a great many other retail stores.

I am, of course, anticipating that the forthcoming modification will ease the handicaps under which we have been operating, and this improvement will be very much appreciated.

Up to this point this letter was dictated on Saturday, May 27, at which time I anticipated the release of the revision on that day. Since no information in regard to it had been received by this morning, I telephoned to you to make inquiry. In your absence my call was answered by your assistant, Mr. Bruce, who tells me that it is hoped that a press announcement may be made before the day is over, but that the actual regulation cannot be out before 4 or 5 days, and that there may be additional delay, due to the fact that both Mr. Gitchell and Mr. Brownlee are away from Washington. Again I cannot help but think of delay and evasion.

Sincerely yours,

R. H. FOGLER, President.

In spite of all these promises no relief has been provided up to this point.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HARTLEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from New York.

Mr. CELLER. Will the gentleman explain to the Members how this present situation works against men who have been in the business and works to the advantage of a newcomer in the business or a newcomer handling a new line of dresses?

Mr. HARTLEY. The old established retailer is held down by this high-price line limitation while the newcomer in the field is permitted to charge whatever price he wants, of course within the price ceilings.

Mr. CELLER. Take a certain type of dress and explain it on that basis.

Mr. HARTLEY. Take a cotton dress. The low-price merchant who previously sold cotton dresses for no more than \$2 per dress cannot sell them for more than \$2 today, but a newcomer in the business can sell that same dress for \$3.98 or \$4.98.

Mr. CELLER. Then the old-line establishment is at a disadvantage?

Mr. HARTLEY. It is at a disadvantage. It cannot even sell that dress.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Is it not also true that another business that has been selling that same dress for \$3 can keep selling that dress for \$3?

Mr. HARTLEY. It can. That is absolutely correct.

Mr. SUMNERS of Texas. But the little fellow who has been selling the cheap dress cannot do that?

Mr. HARTLEY. That is absolutely correct. Further, this amendment of mine in no way changes the price ceilings. The O. P. A. price ceilings on these dresses are still in effect. Also, the high price-line limitation is not a ceiling on prices, it is a prohibition against sales.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Let me verify every word the gentleman has just stated here in support of his amendment. These same conditions exist all over my district. Every little dealer who has been put out of business has protested. In addition, this obnoxious and unjust regulation, or whatever you call it, is not in the law, it is simply one of the brain children of those who are performing mayhem on this act.

Mr. HARTLEY. I agree with the gentleman's remarks. If you do not adopt this amendment, the high price-line limitation may easily be added to hardware and everything else under the sun.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Is it not true that the gentleman's amendment does not interfere with price control, because it leaves intact the part of regulation 330, which keeps the mark-ups frozen?

Mr. HARTLEY. Exactly.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from New York.

Mr. REED of New York. We have a situation where millions of yards of certain cotton cloth have been shipped abroad and not been used, and third parties under the law can bring them back into this country and sell them. If this condition prevails, the people entering the business of buying those goods and selling them in this country will have an advantage and drive every other cotton-goods dealer out of the market.

Mr. HARTLEY. The gentleman's statement is absolutely correct.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Texas.

Mr. LANHAM. In the case of the cotton dress, is it not true that the business concern, which has a limitation we will say of \$2 upon it, cannot today buy at that price the identical dresses which

the newcomers can sell for \$5 or a little less?

Mr. HARTLEY. The gentleman is absolutely correct in that statement. Efforts are being made—and I will say this to the credit of the departments—to get some of the low-priced goods into circulation. But this amendment will in no way adversely affect those efforts.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from South Dakota.

Mr. CASE. As many other Members have said, this particular problem is one that the people in my district have been writing me about the most in connection with retail selling. Further, in support of the gentleman's argument, may I say that it will not do any good to say that we will provide some sort of an appeals court to handle little problems like this. What the people want and what the merchants want is relief from these restrictions. They do not want to know that they can go through a lot of red tape and find some appeals court at some distance and work up an appeal there; they want the regulations themselves corrected.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Michigan.

Mr. DONDERO. I have received 60 telegrams this morning in favor of the gentleman's amendment. My people are not willing to leave it to the discretion of the Administrator. They want it written into the law to be sure that they can proceed in an orderly way.

Mr. HARTLEY. Personally, I have a great deal of confidence in the present Administrator of the O. P. A., but we do not know how long Mr. Chester Bowles is going to be there. As a matter of fact, there is a statement in this morning's paper that he is being considered for another executive position.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Did I correctly understand the gentleman to say that this would not increase the price of these commodities to the consumer?

Mr. HARTLEY. I made that statement, and I will go a step further and say that it would result in a reduction in price, because it would place the low-price merchant in competition with the high-price merchant on the same kind of goods and cause the latter to reduce his prices to meet the competition.

Mr. ROBSION of Kentucky. If I understand the gentleman correctly, the present regulation puts out of business those who are selling the low-price goods

and gives encouragement to those who are selling the high-price goods.

Mr. HARTLEY. Exactly. This may sound ridiculous, but one of the effects of this high-price line limitation has been that even taverns and gas stations are selling clothes today.

Mr. ROBSION of Kentucky. It is due to this regulation, and that will continue unless we adopt this amendment?

Mr. HARTLEY. Exactly.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Iowa.

Mr. JENSEN. How will the gentleman's amendment, which I am heartily in favor of, affect the manufacturer who has been selling lower than other manufacturers a comparable quality goods? What will it do to him who has been trying to get a price raise but cannot get it because of the restrictions?

Mr. HARTLEY. I do not know that it is particularly going to affect that fellow. The practical effect of the high-price limitation as far as the manufacturer is concerned has been to drive him out of the business of making low-price goods and into the making of higher-priced goods.

Mr. JENSEN. Does the gentleman believe this will work to the benefit of the low-priced manufacturer?

Mr. HARTLEY. Frankly I must admit that I do not believe it will have any effect there at all. The only way you will help the low-priced manufacturer, in my opinion, is by the allocation of goods that can be made into these very low-priced garments, and, let me tell you, these low-priced people will be the ones to handle it.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from New York.

Mr. CELLER. Suppose a store has been selling a line of cotton dresses at \$4.98 a dress. Does the present situation preclude that merchant from selling that same line of dresses for a lower price?

Mr. HARTLEY. Does the gentleman mean that he sold the \$4.98 dress during the base period?

Mr. CELLER. Yes.

Mr. HARTLEY. I doubt that any person who was selling a \$4.98 dress during the base period can now find the same dress and sell it for \$4.98. He may sell a cheaper dress for less than \$4.98; yes.

Mr. CELLER. Can he get a new line of cotton dresses and sell them at a lower price, that is, below \$4.98?

Mr. HARTLEY. Yes; he can.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Missouri.

Mr. COCHRAN. Did the gentleman appear before the committee and present his amendment?

Mr. HARTLEY. The amendment was presented to the committee by the gentleman from Virginia [Mr. SMITH]. Unfortunately, I could not attend the afternoon that was granted to the so-called Smith committee. Had they given a little more time to this, definitely this

amendment would have been presented by me.

Mr. COCHRAN. The gentleman presents an argument, it seems to me, which is unanswerable. At the same time the gentleman does not know why the committee did not accept the amendment; does he?

Mr. HARTLEY. I do not.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield.

Mr. PHILLIPS. Should not the gentleman from New Jersey answer the gentleman from New York [Mr. CELLER], to the effect that it is impossible to obtain the line or the garment now at the price he is talking about?

Mr. HARTLEY. That is true.

Mr. PHILLIPS. I do not believe that was made clear.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield.

Mr. DISNEY. May I call attention to this situation in my district? A man had a low-cost line of shoes. His competitor had a higher-cost line of shoes. The man with the low-cost line of shoes purchased the stock of the higher-cost type of shoes and the O. P. A. notified him he could not sell those shoes which he had bought. Is that in line with the situation that your amendment seeks to correct?

Mr. HARTLEY. That is exactly in line. I want to give that man a chance to sell those shoes.

Mr. DISNEY. He has these shoes on hand. He will obey the O. P. A. price regulations, but they refused to let him sell them.

Mr. HARTLEY. This amendment will permit him to sell the shoes at the prices set by the O. P. A.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. HARTLEY received permission to revise and extend his remarks.)

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, like some of the other gentlemen, I have received a barrage of telegrams about this amendment. I checked quite a number of them against the city directory and found they came from employees of a certain company in my district. So I am not being unduly influenced by these telegrams. Some were received from other sources. However, a very fine gentleman who lives in my district and who operates a store in the city of Atlanta, came to Washington and talked to me about this matter. Another store executive talked to me by phone. Unless the committee can put up some argument to show me that they are wrong, I am going to vote for the amendment offered by the gentleman from New Jersey [Mr. HARTLEY]. I would like some member of the committee to tell us why, as I understand the situation, such a condition as the following exists: If store A in the city of Atlanta has been selling cotton dresses for \$4.95, and that was the highest price dress they sold prior to price control, and they can no longer get a dress at that price, but can get one to sell for \$7.95; they

are not permitted to do so and they are out of business. They are not permitted to sell any dress, that is any cotton dress, at higher than \$4.95, according to the statement made by my constituent. If that is true, I wish some member of the committee would explain that.

Mr. CELLER. Mr. Chairman, will the gentleman yield at that point?

Mr. RAMSPECK. I would rather yield to some member of the committee to tell me whether or not this story is correct. Is there any member of the committee who can give me any good reason why that story is not true? I would like to hear from him.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to my friend, the distinguished gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. This highest price line regulation is a regulation written into the O. P. A. in an effort to continue as much as possible against the greatest kind of competitive odds the supply of low-end merchandise by trying to keep the normal customary, retail pressure that has always produced a supply of these low-end merchandise items in the market. Now the act says that no manufacturer and no distributor can be compelled to manufacture anything he does not want to do. Today the normal supply and pressure that was on the manufacturer to produce this low-end merchandise has disappeared because of inflationary tendencies and an abundance of spending money. So in an effort to try and continue for your retailer and for my country stores this low-end merchandise in the market, the O. P. A. has resorted to this highest price line limitation, establishing a historic pressure that was set by competition on the manufacturer to continue making low-end merchandise. If you do not have this, you have nothing in the law to keep your retailers, who today are wiring me and other Members, that they want this, the only thing that is helping them keep any low-priced merchandise in the market, in the market.

Mr. RAMSPECK. Let me ask the gentleman a question right there. Is it not true, however, that while company A can no longer get dresses to sell, we will say at \$4.95, that a new company can open up across the street—we will call the company, company B—and that under the O. P. A. regulations they can take a dress at \$6.95 or \$7.95 and go into business and this other man, company A, is out of business because he can no longer get any dresses at his highest price.

Mr. MONRONEY. That is exactly stated. That is the difficult situation that the O. P. A. and the ready-to-wear industry is trying to work out. They have repeatedly called on the ready-to-wear industry to help them devise any plan that would continue to keep low-end merchandise in the market. Let me tell about what the O. P. A. is doing. Recognizing exactly what the gentleman says, it is a difficulty and a hardship on dealer A, the O. P. A. has set to work to correct it, first by making these specific hardship adjustments because the mass market will still then keep the pressure on

the manufacturer to continue making low-end goods. So, if dealer A sells for the first 5 months of this year below the first 5 months of 1942, the dealer A is relieved of that higher-priced line limitation and allowed to go up to a point where his sales will be perfectly normal in that specific line. Without some limitation I do not see how you are going to have low-priced dresses, and men's underwear, work shirts, and things of that kind.

Now, the gentleman from New Jersey has said we will do it by allocation. The answer to that is that if Congress wants to take every normal competitive influence from the market, and have Government stylists telling Nellie Don how to style their dresses and telling how much each piece of cloth shall weigh and have all your low-end merchandise made according to Government standards on W. P. B. allocations of materials, then pass this amendment and you will force that into practice because the people of this country still must have access to low-end merchandise which they are accustomed to buying; because without any limitation on keeping normal, competitive conditions supplying the low-end goods, it is absolutely a fact and no one can deny it, the manufacturers of the ready-to-wear clothing will overfinish and upgrade and improve the dress material and the finished dresses, so that they can sell dresses not at \$2.98, \$3.98, or \$5.98, but so that they sell them for \$8, \$9, and \$10.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia have 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RAMSPECK. Let me say to my friend, the gentleman from Oklahoma, that I do not think there is any finer Member of the House than the gentleman from Oklahoma [Mr. MONRONEY]. I have the highest regard for his sincerity and the earnestness with which he attempts to deal with these perplexing problems. I am not disposed to vote for amendments to this act. But the gentleman, who came to see me, told me, and he is a reputable merchant in my district, that the regulation, although designed to do as the gentleman from Oklahoma says, to keep the lower-priced dresses and other articles on the market, has not had that effect. Is that true or not?

Mr. MONRONEY. May I say to the gentleman from Georgia that is almost definite proof of the difficulty of the situation.

Mr. RAMSPECK. I understand that.

Mr. MONRONEY. Without pressure on it at all, the whole thing would disappear. Too much has already disappeared.

Mr. RAMSPECK. I agree with the gentleman. In what way does this high-line price regulation solve the problem which, I think we both agree, is to keep the lower-priced cotton dresses and other things of that sort on the market so that

the working people of this country will not be required to pay more money for articles that they were paying less money for when we passed this act?

Mr. MONRONEY. The best example of that is, if the large buyers of low-priced dresses are relieved from a \$2.98 and a \$3.98 price line on a certain style of house dress, we will say, or are relieved completely from the highest priced line, there will be no pressure directly or indirectly on the manufacturing market to continue that. It is a difficult proposition. Price control is not easy. You do not accidentally blunder into preventing inflation. You have to work that problem out. They have been working for months with the dry-goods and ready-to-wear industry, trying to get their co-operation on any proposition that would reasonably help, within the limitations of law, to keep this low merchandise within the market without going to complete regimentation of that entire field.

Mr. RAMSPECK. Did the O. P. A. present any evidence to your committee to indicate that this particular regulation had met the problem and was keeping on the market the lower-priced merchandise, which my merchant tells me has disappeared and that he cannot buy any longer from the manufacturer?

Mr. MONRONEY. What merchandise there is in the market in the lower-priced lines is being kept there by this higher-priced lines limitation. It would all disappear if you pass this amendment, because it takes away any governmental influence or any commercial influence in keeping these low-priced goods in the market.

Mr. CELLER. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CELLER. Then how will these retailers have their situation remedied? They cannot buy the lower-priced goods, A newcomer comes into the market, and they cannot buy the lower-priced goods. He can buy the higher-priced lines. The old-timer cannot sell the higher-priced lines, so he has to go out of business. How long must we wait for the O. P. A. to remedy the situation by regulation?

Mr. MONRONEY. I was just saying to the gentleman that they have been trying for over 6 months to prepare a regulation that the industry would agree to. The O. P. A. is trying to work with the industry, but it is mighty difficult sometimes when the other party desires to make the higher-priced goods.

Mr. CELLER. Does the gentleman know the regulation they are working on?

Mr. MONRONEY. Yes.

Mr. CELLER. Will the gentleman state the regulation?

Mr. WRIGHT. Will the gentleman yield to me?

Mr. RAMSPECK. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I would like to ask the gentleman from Oklahoma [Mr. MONRONEY] if the result that he wants and that the gentleman from Georgia [Mr. RAMSPECK] wants could not be accomplished by a dollar-and-cent ceiling, as

was suggested by the gentleman from New Jersey [Mr. HARTLEY].

Mr. MONRONEY. I doubt very much if the industry wants a dollar-and-cent ceiling, on Government specifications, on all of the low-end merchandise. As a small retailer I would hate the Government styling Nelly Don dresses and giving specifications, because this merchandise he is talking about is going to come from the War Production Board on a direct allocation.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. RAMSPECK] has again expired.

Mr. HALLECK. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes.

Mr. HALLECK. Mr. Chairman, I had not expected to burden the committee with my observations on this amendment. And I will not do so at any length. However, I would like to say something about the suggestion of the gentleman from Oklahoma [Mr. MONRONEY].

Of course, we all share the regard expressed by the gentleman from Georgia [Mr. RAMSPECK] for him, but in this instance it strikes me that his argument is straining at a gnat and swallowing the camel. I am glad to have advanced here some alleged reason why the O. P. A. has had this so-called price line limitation. It has been quite a mystery to me and still is. As it boils down it seems to be just about this: As they put it, certain low priced lines of goods are going out of the market. That is making it bad enough for the retailer or distributor who is dealing in that line of goods. But now to add to the troubles of that retailer or distributor, the O. P. A. comes along with this price line limitation regulation and says he cannot stock and sell a better and higher priced line. To my mind, that further prejudices and damages the retailer or distributor in that classification. It just completes his crucifixion. I do not believe it should be permitted to stand. As a matter of compulsion to bring about the production of low-priced lines I do not think it will avail anything.

What sound reason can be advanced for saying to a retailer who in the base period has charged \$2.98 as the top price for a dress, and who in this day finds that he cannot locate dresses to be resold by him in that price range, but can find \$3.98 dresses, that under this regulation he cannot stock the \$3.98 dress in order to meet the competition of the man across the street who started in business since the base period or who, fortunately, in the base period happened to have a few dresses in his stock that he was selling in the \$3.98 classification. I am convinced it will not bring about the objective that the gentleman from Oklahoma talks about, but on the contrary will not contribute in that direction. Further than that, it will bring about the annihilation and destruction of hundreds, if not thousands or more of legitimate business people in this country who should not be put out of business by any such rule or regulation as this.

I deplore the fact that it is necessary for the United States Congress in this manner to undertake to correct such an

unfair regulation but if it is the only way we have at hand, then, as far as I am concerned, I am going along with the amendment to correct what I think is an injustice. The amendment is a proper exercise of legislative authority and responsibility.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Miss SUMNER of Illinois. The contention that this high-price line limitation is necessary in order to obtain adequate amount of goods in low-priced lines falls down, due to the fact that 70 percent of the production of cotton goods is already allocated by the War Production Board. Sixteen percent more is allocated with respect to yarns. So that there is only 14 percent of the total amount of cotton goods free today. The Government is already saying, in effect, what lines shall be manufactured.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. HALLECK. I yield.

Mr. VORYS of Ohio. We are all interested in protecting the consumer, but if there are not any \$2 shirts on the market I cannot see how it helps the consumer to make him go to a gas station or cigar store and pay \$4 for a shirt instead of going to a store where he used to buy his goods. This regulation hurts the store. It does not help the consumer, but forces him to shop around to find a shirt.

Mr. HALLECK. Of course, what the gentleman says is absolutely correct. I would like to add this before I finish: I supported the Price Control Act when it was put on the books, and I stand by price control today. I am not supporting amendments which in my mind would destroy price control and would destroy our efforts to bring about price stabilization. But here is an amendment that I do not think anyone can say will be destructive in any degree of the fundamental objectives of price control and the Price Control Act. If that is true, then why not adopt this amendment and correct the injustice that has been brought about by the regulation.

Mr. ROWE. Will the gentleman yield?

Mr. HALLECK. I yield.

Mr. ROWE. The passage of this amendment means nothing more than putting the regular merchant in competition with people who are doing identically the same thing?

Mr. HALLECK. It gives him a chance to sell goods that are available, at ceiling prices.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. SPENCE. I wonder if we cannot agree on time for debate on this amendment.

Mr. HOFFMAN. Will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HOFFMAN. I have waited for 3 days to get 5 minutes on this question. I would like to have it arranged some way so that I could get that 5 minutes.

Mr. SPENCE. Mr. Chairman, may I inquire how many amendments are on the desk?

The CHAIRMAN. The Clerk informs the Chair that there are 26 other amendments on the desk to section 2 of the bill.

Mr. SPENCE. Mr. Chairman, I move that all debate on this particular amendment close in 30 minutes.

The question was taken; and on a division (demanded by Mr. HARRIS of Virginia) there were—ayes 147, noes 4.

So the motion was agreed to.

The CHAIRMAN. Permit the Chair to read the following list of those who were on their feet seeking recognition on the pending amendment. If there are any who are not seeking recognition will they please so indicate; and if there are others who desire recognition on the pending amendment will they so indicate? The Chair reads the following list: The gentleman from Illinois [Miss SUMNER], and Messrs. COLE of New York, JONKMAN, CRAWFORD, HOFFMAN, SUMNERS of Texas, McCORMACK, BARRY, VORHIS of California, RUSSELL, ALLEN of Louisiana, MONRONEY, VURSELL, and CELLER.

Mr. McCORMACK. Mr. Chairman, I was not seeking recognition.

Mr. HARRIS of Virginia. I desire to be recognized, Mr. Chairman.

Mr. HAYS. I desire recognition, Mr. Chairman.

Mr. AUGUST H. ANDRESEN. I wish to be recognized, Mr. Chairman.

Mr. WEICHEL of Ohio. Mr. Chairman, I desire to be recognized.

The CHAIRMAN. The Chair has noted these additional names. The Chair now has 19 names on the list. This will mean a minute and a half apiece.

(Mr. GRANT of Indiana asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Wisconsin [Mr. KEEFE] is recognized for a minute and a half.

Mr. KEEFE. Mr. Chairman, I prepared some statements on this particular amendment. I do not believe that any statement I may make now, or any other member may make in the Committee of the Whole would change the action the Committee intends to take. I believe everyone is prepared to vote and I wish the vote were coming right now.

I have listened attentively for 2 days to the debates on H. R. 4941, a bill proposing to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942. The gentleman from Texas [Mr. PATMAN] has made innumerable speeches on the floor of the House and over the radio for months extolling the virtues of O. P. A., and attempts to create in the minds of the American people the feeling that there is a determined effort being made in the Congress to either abolish price control and rationing, or to emasculate the law so as to make it inoperative and ineffective. May I say at the outset that I have never heard any Member of Congress seriously utter such a proposal. The complaints which have been registered against O. P. A. and the Stabilization Act relate entirely to claimed abuses of administration. Every right-thinking American realizes full well the necessity for

continuing price control, rationing, and stabilization procedure. As true representatives of the people, however, whose interests are vitally affected by these laws, we would indeed be derelict in our responsibility as legislators if we did not attempt to cure some of the manifest abuses of administration that are the source of practically all the complaints against these laws. May I state that I fully believe that under the leadership of the present administrator, considerable progress has been made in that direction. It does appear quite clear, however, that the Congress in the exercise of its plain legislative responsibility can remove some of the difficulties complained of without destroying the effectiveness of price control and without emasculating the fundamental purpose for which this legislation was enacted. Time will not permit a discussion of all the proposed amendments.

The committee, in proposing an amendment to section 2 (h) of the Emergency Price Control Act of 1942, striking out the words "except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act" and the insertion of the words "or changes in established rental practices" after the words "established in any industry," has taken a wise step, in my humble judgment, to insure fair, reasonable, and equitable administration of the law. I believe it can safely be said that it was the intent of the Congress in enacting the Emergency Price Control Act of 1942 to limit the power of the Administrator so as not to compel changes in business practices, cost practices, or methods or means or aids to distribution established in any industry. The Administrator has apparently interpreted the words proposed to be stricken—namely, "except to prevent circumvention or evasion of any regulation of the price schedule or requirement under this act"—as a broad grant of administrative discretion which has enabled him to set aside established business practices and methods of accounting on the theory that such established practices were being used to circumvent or evade regulations, orders, or price schedules. As a result, it has been demonstrated again and again that rules and regulations have been issued by O. P. A. completely setting aside and completely ignoring established business practices, and so forth. I believe that the action of the committee in clarifying this section is a real service to the people of America.

I would like to discuss the so-called Hartley amendment. This amendment reads as follows:

Nothing in this act shall be construed to require any person to sell any commodity or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any one time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect.

This proposed amendment relates to what is known as the "highest price-line limitation." This limitation is a restriction applied to certain lines of merchandise which prohibits the sale of such goods above price ranges carried during

some given base period. In the retailing business the base period is established as March 1942. What actually happens under it may be illustrated as follows:

A merchant conducting a general store in the country has for many years carried in stock a line of low-priced work shirts, overalls, work gloves, and so forth. Such a merchant usually carried but one class of merchandise. Due to conditions which I do not have time to go into, this type of merchandise has practically gone off the market. The merchant, anxious to keep up his stock, seeks to buy some higher-priced goods that are available. Under the provisions of the so-called "highest-price line limitation," he must sell such higher-priced merchandise at the same price for which he sold the cheaper quality merchandise during the base period of March 1942. Obviously the merchant would go bankrupt selling merchandise for less than his cost. The obvious purpose of this regulation was to hold down prices. In actual operation, however, this is what has taken place:

The established merchant who has been in business for years is put out of business. The man next door who conducted a filling station, a tavern, or a hardware store could install a stock of the higher-priced merchandise and service the community. He could sell this merchandise at the higher cost plus mark-up. If there happened to be a store which carried complete lines of merchandise in various price groups, they would have no difficulty in continuing in business even though the lowest-price line is off the market. The operation of this order has resulted in putting the small merchant out of business and either concentrating business in the higher-priced merchandise in the hands of the larger stores or causing people who have never been in the business to install stocks of higher-priced merchandise in places of business that had never theretofore engaged in such an enterprise. In my humble judgment, this limitation does not restrict the sale of higher-priced goods in retail stores in which there were high-priced lines in the base period, and thus the limitation has little or nothing to do with price control and the prevention of inflation. This limitation does not prevent a retail shop established since the limitation order went into effect from installing stocks of higher-priced merchandise and selling it at higher prices. The limitation order does not prevent any retailer who in the base period did not handle cheap merchandise from selling goods at any price line current in his community. The one person who is affected and whose business is jeopardized is the retailer who carried low-priced goods and sold them in the base period. This limitation clearly discriminates against such retailers in favor of those who sold higher-priced merchandise and in favor of inexperienced retailers who are entering business for the first time. It frequently happens that the retailer who is most violently affected and whose business is threatened is the one whose operating costs were at a very low level which permitted him to sell low-priced merchandise during the base period.

You may ask, "Why can not these merchants continue as in the past and sell low-priced goods?" The answer is clear: Such goods are not obtainable. The manufacturers are not making them. The consumers are forced to buy higher-priced goods, and under this limitation must buy them from the stores that were selling the higher-priced lines during the base period. It is difficult for me to understand the theory which lies behind this limitation order of the O. P. A. I cannot view the limitation as anything but inflationary, because it has forced low-priced goods off the market and compels the consumer to buy in the higher-priced fields and usually from stores where the cost of business is much greater than in the small stores in small local communities that have operated with low overhead. Certainly, in view of the fact that the low-cost merchandise is practically off the market, no protection is afforded to the consumer when he is compelled to go into a larger city, perhaps, and there be compelled to purchase higher-quality merchandise at advanced prices.

In my humble judgment, the actual operation and effect of this limitation order is highly inflationary in character and disruptive of every established principle of equity and sound business practices. I trust that the Congress will adopt the Hartley amendment and thus eliminate this unconscionable limitation order.

(Mr. KEEFE asked and was given permission to revise and extend his remarks.)

Mr. ROWE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROWE. Is it in order to move the previous question at this point?

The CHAIRMAN. It is not in order in the Committee of the Whole to move the previous question.

The gentleman from California [Mr. HOLIFIELD] is recognized for 1 minute and one-half.

Mr. HOLIFIELD. Mr. Chairman, let me say that I believe what the gentleman from New Jersey [Mr. HARTLEY] said is true. I want also to say that everything the gentleman from Oklahoma [Mr. MONRONEY] said is true. This may sound odd, but I talk as a merchant of 25 years' experience who at the present time is engaged in merchandizing. This condition exists. The amendment offered by the gentleman from New Jersey, however, will not clarify the position except in this one respect, that it will let the man who has a low-limit price line put in a higher price line, but it will make automatic the absolute disappearance of every low-price line in America. It will not help the consumer obtain low-price goods. That is an undeniable fact. This condition is a result of the amendment which was put into the Price Control Act, the so-called Halleck grade-labeling amendment that was endorsed by the committee of the gentleman from Oklahoma [Mr. BOREN], which denied the fixing of quality specifications and quality standards to specific frozen prices. When that amendment

was adopted, this condition was automatic.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I cannot yield in a minute and a half.

This condition arose automatically because under present O. P. A. regulations, a manufacturer could bring out substantially the same article under a new lot number and raise the price as much as the traffic would bear. Because the Halleck amendment, which was adopted a year ago, prohibiting the tying of definite quality standards to specific frozen prices, a tremendous inflation has occurred through two main channels, quality adulteration and new high-price line substitution.

Now Mr. Chairman, it would be amusing if it was not so ridiculous to observe the procedure on the floor today in regard to this price-control bill. Practically every speaker introducing or supporting these various scuttling amendments begins his remarks by protesting his devotion to price control by saying, "I am for price control, but," and then he proceeds to advocate the raising of the particular commodity he is interested in from its present price position. This specious reasoning has been successful for those who pay lip service to price control, in the fish, rent-control, high-price lines and oil amendments. I understand that approximately 30 additional crippling and emasculating amendments are yet to be offered. Notwithstanding the record of holding the line which the O. P. A. has established during the last 12 months, we are now embarked on a course of procedure which will make impossible the enforcement of price control. It makes inevitable a rise in the price of commodities. This rise in the cost-of-living items works a terrible injustice on millions of white-collar and fixed-income people. While our boys are fighting and dying in foreign lands, we are reducing the purchasing power of their dependents. The Banking and Currency Committee has written a good bill. They have considered very carefully existing inequities and to a great extent have taken care of them in the bill. I believe in price control for the benefit of all the people in our country. I feel very sincerely that the committee bill should be passed as written. I intend to vote against all crippling amendments presented from the floor and it is my sincere hope that the President will veto this bill if the present procedure of adopting emasculating amendments continues.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Kansas [Mr. HOPE] for 1½ minutes.

Mr. HOPE. Mr. Chairman, I am supporting this amendment, although I do not believe it goes to the fundamental difficulty that has brought about the elimination of the low-price lines. No doubt there is something in what the gentleman from California [Mr. HOLIFIELD] said on that point, but I believe the disappearance of low-price lines has been due primarily to the unrealistic attitude of O. P. A. in that it has utterly

failed to realize that it is better to increase the price ceiling on some of these low-price lines and make it possible for the manufacturer to make them rather than to see them disappear from the field altogether.

Low-price lines in the past have, of course, depended upon volume for profits and naturally when costs went up those were the lines that were eliminated first, because they could not absorb those costs. Had O. P. A. taken a realistic attitude at that time and used a bit of common sense in permitting the price ceilings to go up on those lines then I do not think we would have the fundamental difficulty we are facing today, not only as to clothing but in many other lines.

The main interest of the O. P. A. seems to be to make a good showing on paper. If it can get together a set of figures which indicate that it is "holding the line" it does not seem to care a hang whether the average citizen is actually paying out more for living costs or not.

Every Member of this House knows that low-priced lines in practically every commodity have disappeared. They have disappeared primarily because the stupidity of the O. P. A. policies has made it impossible to produce these lines except at a loss. The result is that irrespective of what price indexes show, the cost of living has increased. The O. P. A. has done nothing to meet the situation created by the disappearance of low-priced goods except to put in effect the regulation which the amendment offered by the gentlemen from New Jersey would eliminate.

If we adopt this amendment maybe it will wake up the O. P. A. to the extent it will take some real steps to bring low-priced lines back into production. For that reason I say, let us pass the Hartley amendment and do something to get this deplorable situation straightened out.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The gentleman from Michigan [Mr. JONKMAN] is recognized for a minute and a half.

(Mr. JONKMAN asked and was given permission to revise and extend his own remarks.)

Mr. JONKMAN. Mr. Chairman, I favor price control and price-control legislation. I just want to drive home one idea, and that is that MPR 330 and similar regulations will not affect price control or contribute to effective control of prices but will destroy business, destroy price control, and destroy the consumer's right to goods at fair and equitable prices. I want to call your attention to a situation in my district. One of the merchants in my district early this year ordered 2,000 slack suits at \$24 a dozen; that is \$2 a suit. His retail price had been \$2.98, and he hoped to sell them at \$2.98, which was the highest price for which he had sold slack suits. In April he received word from the manufacturer that he could not get them at \$2 a pair; that they would cost him \$27.50 per dozen, an increase of 15 percent. He was not able to handle them at this increased cost price, and he had to let go of that line.

Not only was he deprived of that business but the people in my district were deprived of the slack suits. That same slack suit was sold in a neighboring district a little later for \$4.50, an increase of 50 percent.

In other words, in the neighboring districts they were getting the slack suits and they were getting them at an increased price of 50 percent whereas they could and should have been sold at \$3.48 in both districts, an increase of only 15 percent, had there been adequate and equitable application of price control by the O. P. A.

In short, MPR 330 drove the merchant out of this line of business, deprived consumers in my district of 2,000 slack suits to wear, and wrecked the price structure by encouraging a 50-percent increase of price to the consumers instead of a justified 15 percent.

This is only one of numerous instances in my district but is in itself sufficient justification to support and vote for the amendment submitted by the gentleman from New Jersey [Mr. HARTLEY], and I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, this amendment was offered in committee and failed to carry by a small number of votes. On May 19, Judge Fred Vinson spoke to the committee on this particular item and stated:

First, it was recognized that the present price ceiling regulations encourage the over-finishing and upgrading of cloth. This upgrading takes place principally while the cloth is in the hands of the converter or finisher.

That was an agreement between Mr. Bowles and Mr. Nelson, and Judge Vinson. You therefore get a higher price for upgraded garments.

Then the judge went ahead to say:

Second, the War Production Board is now acting to set aside specific yardages of cloth to be made available only for the manufacture of certain essential low-priced items which are now in acutely short supply. This cloth will be made available only under allocation and the items which are manufactured from it will be produced according to specified quality standards.

On cross-examination Judge Vinson gave me and the other members of the committee to understand that the War Production Board, the Office of Price Administration and the Director of Stabilization were assuming 100-percent responsibility for getting these low-priced garments on to the market. He says here in item 1 that they agreed that the then existing price regulations caused the finishers to upgrade the cloth, thereby making it impossible for the retailers to obtain these low-cost garments.

As has been stated, this problem has been kicked around for many months. I do not know whether you can get real action on it other than by adopting the pending amendment. The people have not the low-cost garments today, you cannot buy them, they have to go and purchase higher-priced garments. A farmer has to buy a white shirt instead of a blue shirt and at a considerably higher

price than would prevail on a blue chambray cloth shirt.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, several things have not yet been brought out. It is contended that if the present limitation is removed the stores will go into higher-priced lines. But it seems to escape these O. P. A. experts, so-called, that businessmen who sell a cheap line of goods like to keep their reputation for being bargain stores. Bargain stores are money makers, especially in depressions. The reason they are able to offer the public cheap living is because they do not deliver, they do not have fancy furniture, they do not employ salespeople who have a suave, svelte manner and the ability to sell you on the idea that it is smart to buy here rather than to buy more cheaply somewhere else.

It is difficult to see what good this price limitation has done. Retailers tell us that it has not done any good at all in the department stores, because it is so easy to pick up an article that they used to sell in the basement and sell it on the third or fourth floor, where you have a higher-priced line. It is stated too, that the country stores are not affected because the O. P. A. so far has really never stuck its nose into the country store. If they would, these prices would go up and you would hear no more of this talk from the country stores that they like O. P. A.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his own remarks in the Record.)

Mr. HOFFMAN. Mr. Chairman, for me this situation has some pleasant features. I know that some politicians as well as some of the statesmen are behind this amendment. It apparently will be adopted.

Mr. Chairman, this amendment is a necessary one that was worked out by the Smith committee; the hearings before that committee show it is good and it is now being accepted by the committee. That, in view of the action of the House when the rule was up, is encouraging, too. On top of all that may I say that I could not get time during the 9 hours of general debate to speak in support of the amendment, so, today, if you will look at page 5735 and the following pages of the CONGRESSIONAL RECORD you will find a statement which I think shows the need for the amendment that I put in yesterday under permission to revise and extend.

Mr. SUMNERS of Texas. Mr. Chairman, this is a very plain, simple, proposition. Under existing regulations a merchant who has been engaged in selling low-priced merchandise is not permitted to sell merchandise of the same general type at a higher price even though he may not be able to purchase comparable merchandise at a price which will enable him to sell at his old price. The fact is, to a large degree he is not able to do it because, as the gentleman from Oklahoma [Mr. MONROEY]

has stated, there is no law or regulation controlling the sort of goods that manufacturers produce. So, instead of producing the quality of goods which these merchants formerly have been able to buy, they make sufficient alteration if that is necessary, and sell these goods at a higher price to merchants who theretofore have been making a higher profit. To illustrate: If a merchant had been selling overalls at \$1.50 a pair, or dresses at \$2.50 each, he cannot sell overalls at a higher price nor dresses at a higher price. But the merchant across the street who has been selling this quality of goods at a higher price buys the goods from the manufacturer, sells them to the low-priced merchant's former customers; and being deprived of that business himself, the low-priced merchant goes broke.

Now this amendment which we are soon to vote on simply provides that if the merchant who has been selling the low-priced goods has to pay a higher price for that quality of goods, he may sell at a higher price. Certainly there is no advantage to a consumer in the present arrangement which compels him to go to the merchant who has a fine store, bigger overhead, and buy what he used to buy from the merchant who did not operate in so expensive quarters and with so expensive overhead; or, instead of buying in the basement, buy up on the third or fourth floor.

This arrangement is especially hard on the small country merchants. It is my information that they are being put out of business by being deprived of the opportunity to get the merchandise which the people of their community require. This regulation is an illustration of what is being done by these agencies. Here is a free-born American citizen living, we may say, out in a small community. The manufacturer is not producing at the old price the merchandise which he has been accustomed to buy and which people of his community want. He could buy what they need, at a higher price. The people of his community would be willing for him to make a reasonable profit and charge them more for what he has to pay more for, but this agency will not permit him to do it. And the people then have to go off to some store which has always been selling at a higher price and pay that merchant a higher price, higher than they would have to pay their home merchant if he were permitted to buy.

It is such regulations as that which make it necessary for the Congress to act, not only to protect the citizens but to make it possible to "hold the line" which we hear so much about. We are trying to reduce the difficulty in "holding the line" which such a regulation as this creates.

The other day I received the following statement from one of the best merchants and one of the finest men in my community:

The reason that business asks that the life of the O. P. A. be extended 12 months only is that boards and bureaus of such nature should be scrutinized periodically by Congress, their creator, to prevent their usurpation of powers greater than conferred, and to correct such injustices as are frequently

worked by them because of application of wrong interpretation of their powers.

It is doubtful if O. P. A. has ever treated the matter of highest price lines as was originally intended. They construe them to mean that no merchant could ever sell merchandise at any higher prices than those shown in the list of prices required to be filed by O. P. A. under G. M. P. regulation, excepting in certain amendments thereto, which amendments, generally lowered rather than increased prices. Yet in regulations, there were included pricing formulas on how to price merchandise not before handled by a store, indicating that if merchandise was received that at retail exceeded price lines, it was to be priced accordingly. At the inception of O. P. A. most stores had full lines, and were not troubled by the highest-price-line limitation (that interpretation of O. P. A. of the regulation), but as lower-priced merchandise became scarce, basement merchants and small-town merchants began to suffer because of not being able to provide their customers with merchandise. Basement managers who largely depend for remuneration upon the volume of sales, found their customers going elsewhere. Small-town merchants found their customers going to larger cities.

The request that business have the right when it feels unjustly treated by O. P. A. to resort to the courts for relief needs not to be explained. All should have that right.

The clause in the law which has given the right of customers when they think themselves overcharged to sue for \$50 or triple damages, whichever is the greater, opened up a storm of litigation to harass business, rather than to protect customers. It is rightfully dubbed the "ambulance chasing" section of the act, and should be abolished.

I can appreciate that the present administrative officers of O. P. A. have got a tough job. They have inherited a great deal of trouble from their predecessors. I recognize the necessity of "holding the line" against inflation, but I recognize also the necessity, if that line is to be held, we should make it less difficult to hold the line.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I expect the pending amendment will be adopted. Some very cogent arguments have been made in favor of it and there can be no doubt that injustice is being worked in a number of cases as a result of the present situation. However, I take this time in order to state that if this amendment is adopted by the House we will still have in the lap of the Congress the most serious single problem in connection with price control that exists, and that is the disappearance from the market of the low-priced goods that the common people of America need and have to have.

I received a letter from a lady in my district who told me that she had spent not only some of her good money but her shoe ration coupon to get a pair of shoes for her little boy and that the shoes lasted about 2 weeks because they were made of paper. When the Congress adopted amendments which I voted against, and I am thankful I did, which forbid the O. P. A. to apply quality standards in connection with price control, it brought upon the country and upon the Congress the very situation which today brings the Hartley amendment before the House.

The Hartley amendment will not cure the basic problem.

There is not any pressure upon anybody for production of low-priced goods and there will not be as long as people can manufacture and get sold up-graded, adulterated, low-quality goods at higher prices than are justified. The answer to that problem is the fundamental answer that is going to have to be given. The only way you are going to protect the store that does deal in genuine fair quality, low-priced goods is to prevent his competitor from selling the same kind of goods at double the price they are worth. Until you stop that, until you let consumers know what they are buying, until consumers know it when they are paying high prices for low quality—until then this disappearance of low-price goods will continue.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RUSSELL].

(Mr. RUSSELL asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. RUSSELL. Mr. Chairman, in a minute and a half I can only say a very few words. I believe the Hartley amendment will at least go 50 percent of the way in correcting the evils that exist with reference to the question under discussion. I agree with what the gentleman who just preceded me, the gentleman from California [Mr. VOORHIS] said, but the Hartley amendment will at least be a step in the right direction.

I want to give a little illustration of what happened down in my home town which is a small place of about 5,000 population. A merchant there during the base period sold a certain line of children's dresses for approximately \$4.20 apiece. This year in ordering the dresses he tried to order the same kind of material that he had been selling, but when the material came in, the cost on it was approximately \$7.02. He had expected to sell it for approximately \$7.98, but was prevented from doing so by the O. P. A. He could not sell those dresses for over \$4.50. Well, he could not lose \$2 on each one of these dresses, so he loaded them up and shipped them to a store in another town that had a higher price and the dresses were sold in that town for approximately \$9.98 apiece.

Across the street from this man there was a new merchant who had bought the same kind of dress that he was prevented from selling in excess of \$4.50, but the man across the street was permitted, under O. P. A. rules, to sell the same dress for approximately \$9.98; so this amendment goes a little way, at least 50 percent, in correcting the error of this rule employed by the Office of Price Administration.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

(Mr. ALLEN of Louisiana asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Louisiana. Mr. Chairman, I rise in support of this amendment. It seems that the ruling of the O. P. A. has the effect of helping big

manufacturers and of hurting small businessmen who were in business in 1941. The O. P. A. ruling also seems to hurt the consumer who buys these low-priced goods because the ruling in many cases operates so that they cannot be bought. This amendment, as I understand it, seeks to help small business and also to help the consumer. The O. P. A. by its ruling which we now seek to correct has largely driven out of commerce certain lines of low-priced clothing. It seems to me that the ruling of the O. P. A. has played right into the hands of the big manufacturers. I do not charge that they intended that, but that seems to be the result.

We want to correct that. We want to still make available to the people the various lines of low-priced merchandise. We want to protect the small merchant, the small businessman, from the effects of this O. P. A. ruling. As has been pointed out here, there seems to have been no effective control or ceiling price for the big manufacturer. It appears that he can make his goods and sell them at a higher level to a new man who has just gone into business and who is not obliged to maintain any 1941 price level. This is a situation which I think can and should be corrected. Those who have studied the question carefully feel that this amendment will correct it, at least to a degree. It is conceded to be a step in the right direction and I am willing to try it.

Mr. Chairman, I feel that the O. P. A. has gone too far in some matters. Many of its rulings are ridiculous and absurd. I do not want to do anything that will hurt the war effort. No one in this House is more anxious to support the war effort than I am. Those of us who have our sons in that dreadful invasion of Europe are anxious and worried today. But I do not think anyone can contend that this amendment will in any respect hurt the war effort. I submit that it will help the war effort by encouraging the people and by helping our people at home to continue their businesses and by helping the consumers to continue to get these articles of wearing apparel at prices which they can afford to pay. I believe, therefore, that this amendment will do good, and I favor it.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Arizona.

Mr. MURDOCK. Whether or not I support this amendment, I would like to confirm what the gentleman has said regarding what this O. P. A. regulation has done to the detriment of established merchants and part of the buying public. The same situation applies in my State. The gentleman has indicated exactly the situation as I get it from long-established merchants, particularly in the mining camps and smelter towns of Arizona.

Mr. ALLEN of Louisiana. Mr. Chairman, I hope the amendment prevails, and I hope we will get more reason in O. P. A. operations.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. This high-price line has annoyed many and has put one of my merchants—Mr. J. B. Thiele, of Ramsey, Ill.—out of business. He was selected in the category of an average small merchant and came to Washington and testified before Chester Bowles and others.

The O. P. A. admits that this rule is no good and cannot be enforced and ought to go off the books. Why they do not take it off, I do not know.

Mr. J. P. Thiele, in my district, Ramsey, Ill., a town of 900, has been in business 60 years. He sold low-priced goods. Finally his competitor went out of business, a dealer in ladies' ready-to-wear. Mr. Thiele improved his store, was ready to go into a bigger line, and bought a lot of goods. Then O. P. A. came in and said, "You cannot sell these for \$2.98 and \$3.98 and \$1.98 dresses at the price you intend to sell them for." So he practically had to close up his business.

The people now in that locality have to use critical gasoline and drive to St. Louis or to Pana, Ill., or to Taylorville, 25 or 30 miles away, and pay 40 percent more for the goods than this man could sell them for. He is out of business. That is going on all over this country. This highest-price line should be done away with. It has already done too much damage.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CELLER].

(Mr. CELLER asked and was given permission to revise and extend his remarks.)

Mr. CELLER. Mr. Chairman, I believe the whole difficulty stems from the failure of Congress to provide for proper grade labeling and quality standards. If we had had quality standards we would have had no such difficulty as has been unfolded today.

I sympathize with the plight of the O. P. A. It is one that bristles with festering difficulties, but under the circumstances all wisdom does not reside in the O. P. A.

You have a situation where a man who has been in business for years, and, for example, whose cotton line of dresses was selling during the base period for \$4.95, cannot get those goods any more, at the same cost. He can only get the \$7.95 line. Now they say you cannot put in that \$7.95 line, you must stick to the \$4.95 line, but the man next door, the newcomer, the competitor, can put in the \$7.95 line. He did not have the cheaper line in the base period. He is not penalized. What is the first man going to do? He cannot exist under those circumstances. It is like telling that man, "You must do without." That is like saying, "Let him eat cake," and that is inequitable and unjust.

Unless I can be assured of some sort of regulation coming forward from the O. P. A. that will relieve that situation, which is well-nigh intolerable, and that that regulation is coming forth immediately—and I have no such assurance—I shall vote for this amendment.

I do so reluctantly. The Banking and Currency Committee has done a good job with this bill under most trying and adverse conditions. Nonetheless I must vote for the amendment.

[Mr. HARRIS of Virginia addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

(Mr. HAYS asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Chairman, I think the Committee is entitled to know that our inquiries of O. P. A. officials have developed some facts that might serve to clarify the situation. It is not true that a new business is not affected by the highest price limitation order. A new business is subject to limitations based on its competitors' practices. In the past new businesses have made their own classification and have probably escaped its effect in many instances. Recent orders of the O. P. A. are correcting that. This is a complicated question. It has great administrative difficulties, and I hope we can leave some administrative discretion with the O. P. A. in dealing with this problem.

A majority of the Banking Committee voted against an amendment similar to the Hartley amendment. I think they were moved by the feeling that the new orders should be given a chance and that the amendment would unduly limit the Administrator's authority to deal with the difficult problem under discussion.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, here the House is attacking an O. P. A. regulation, but we fail to attack the problem. The Congress is going to take away from O. P. A. the only weapon existent to try and continue the supply of low-priced merchandise under a free competitive system.

This amendment is going to pass, I know, and you will be hearing within a few months from your retailers who have wired you so enthusiastically today and yesterday about the high-price line. They will wire, "Why does not the Government do something to give us low-end merchandise?"

The only alternative to continuing this low-end supply which this House has repeatedly turned down, and which today you are going to force on our economy, if you intend to have this supply of low-priced merchandise, as the gentleman from Michigan [Mr. CRAWFORD] has said, is to have a direct allocation of yardage from W. P. B. made according to Government specifications for all of this low-priced merchandise.

I hope that we can prevent this and still keep some semblance of free competitive conditions and free competitive merchandise in the ready-to-wear fields. By voting this amendment, ostensibly at the request of the retail-

ers, you are absolutely taking away from the O. P. A. and from the retailers themselves the influence that will help continue these low-priced goods.

This is important, because if a woman has been accustomed to buying out of her meager budget a \$2.98 dress and must now buy a \$6.98 dress, it does not mean anything to her whether the price of that \$6.98 dress has increased, but she has had to pay three times as much for the dress she must have to wear.

This amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, the arguments advanced up to this time have not convinced me that the adoption of this amendment will in any way restore to the market low-priced goods. Therefore, I am going to vote against the amendment.

THE HARTLEY AMENDMENT

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am in favor of the amendment offered by the gentleman from New Jersey [Mr. HARTLEY] which proposes to eliminate the highest price line regulation order issued by the O. P. A. I have a similar amendment at the clerk's desk, which I will not press for action, as I am convinced that a majority of this committee will approve the amendment now before us.

Those who favor action to keep small business in operation should vote for the Hartley amendment. Due to the price limitation order of the O. P. A., tens of thousands of small merchants are not able to secure merchandise. If relief is not afforded, these people will be put out of business. This should not be tolerated by Congress in any respect.

I desire to read my amendment, which covers more ground than the proposal now before the committee. I expect to offer the first part of my amendment as a separate amendment. My amendment reads as follows:

Amendment proposed by Mr. AUGUST H. ANDRESEN: Page 3, line 5, after the colon, insert the following: "Provided further, That when the Administrator establishes a wholesale price on any commodity or article to be sold at retail, all retail distributors shall have the full benefit of the lowest wholesale price so established, and nothing in this act or otherwise shall be construed as authorizing the Administrator to issue any regulation or order which does not allow all retail distributors to compete freely in all commodities and articles of merchandise available for sale in every price line."

I wish again to urge favorable action for the Hartley amendment.

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I think we all recognize that this is an administrative matter. It is an attempt by Congress to administer this law. I do not believe we have the information to do this. If you do away with the highest price line limitation, then you will have to have a dollars-and-cents ceiling on

all the items. I do not know what effect that will have. The merchants may troop here to ask that the highest price line limitation be restored. But leaving that aside, how are we going to correct all of the inequities and all of the things we think ought to be corrected, by legislation? We are attempting to correct this, if the House votes upon it favorably. Does that mean that this will be an approval of any other action the Office of Price Administration has taken, and that we have embarked upon the program of directing the Administrator as to what he should do in all cases? It is a well-known principle of law that the inclusion of some things would be the exclusion of the others in regard to which legislation might be enacted. I think it is perfectly impossible to administer the law in this fashion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HARTLEY].

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 157, noes 31.

So the amendment was agreed to.

Mr. DISNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: Page 12, line 2, insert a new subsection (k) to read as follows:

"In the fixing of prices for crude petroleum and the products thereof and derivatives therefrom, as provided under the Price Control Act of 1942, as amended, consideration shall be given to the necessity for exploring for crude petroleum and the maintenance of a competitive position in the petroleum industry and to that end shall give consideration to the parity prices as indicated by the relationship between the index based on the national average price of crude petroleum and the index of all commodities as reported by the United States Department of Labor, Bureau of Labor Statistics, in its Wholesale Commodity Price Index based on the year 1926: *Provided, however,* That such ceilings shall not be fixed or maintained at less than 80 percent of parity and not to exceed parity, per barrel above the present respective price ceilings for crude petroleum, and its products and derivatives."

Mr. SPENCE. Mr. Chairman, what agreement can we reach as to a limitation of debate on this amendment?

Mr. DISNEY. Mr. Chairman, there are several gentlemen who want to speak. I think we can agree after a while.

Mr. SPENCE. Can we not agree on 1 hour's debate?

Mr. DISNEY. I should think so.

Mr. GOSSETT. Mr. Chairman, I would like to speak for 5 minutes on this amendment.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the debate be limited to 1 hour on this amendment.

The CHAIRMAN. Is there objection?

Mr. GOSSETT. Mr. Chairman, reserving the right to object, if that will permit all Members standing to have at least 5 minutes, I will not object. I do not know how many Members are standing.

Mr. REED of New York. Mr. Chairman, reserving the right to object, that may be liberal, but on an important proposition such as this, Mr. Chairman, it seems to me narrowing down the time

to 2 or 3 minutes for each Member is hardly fair. If the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] will make it one hour and a half, I think we can go along on that.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment be closed in 1 hour and 15 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DISNEY. Mr. Chairman, this amendment is the exact language of the so-called Disney bill passed last December by a vote of about 2 to 1 in this House, with the exception that at the end of the amendment are added after the words "crude petroleum," as in the original bill, the words "and its products and derivatives." That is to make it conform to the first two lines of the original bill, which reads "crude petroleum and its products and derivatives."

Mr. Chairman, I have understood that the object of the meeting of the committee was to correct the injustices and errors that exist in the price-control bill. I did not understand that to hold the line means to hold the line for all the mistakes and errors that might have been made in the original bill or in its administration. Price control in ordinary times is an illegitimate economic policy, although absolutely necessary in wartime. So where it is naturally rather an illegitimate system it ought to be used most carefully. We will help to hold the line, gentlemen, but who wants to be held to an illegitimate, unfair, and dishonest line? We will be with you on a uniform line, but why this distorted line? Is that the line that you expect us to carry on and be for? Is that sound policy in this Government of ours and in this Nation?

May I call the attention of the Members to this chart before me? Oil is down here at 63.8. Wages, which go into the production of oil, are at 183.6. Is that the line you want to hold?

Raw materials are at 113.6. Is that the line you want us to support? What kind of line are you talking about when you say "Hold the line?" Slogans are not economic laws.

All commodities, every commodity that the American people buy, are on the list at an average of 103.9. Is that the line? Let us have a line that is a decent, common-sense, fair line, when you talk about holding the line.

Lumber is a great factor in the production of oil. Here is a chart prepared at a little earlier date. These charts are prepared by the authority authorized by the President, by the P. A. W., which was ordered to investigate the subject. Wages were at 175.7, at the time of the preparation of this chart. Lumber, which is an important element in the production of oil, was 144.1. Is that the line you want us to hold, with oil down at 63.8? We want to get in hearing distance of the line.

Bituminous coal is at 119.8. Is that the line you want? All commodities, every commodity the American people buy, are on the line at 103.7.

We want oil, you all want oil. Do you know that a tanker of oil which started from Boston to a war area had to be ordered back to Boston to heat the homes of the people in Boston?

The gentleman from Texas [Mr. GOSSETT] will read that dispatch when he takes the floor. That happened not very long ago.

The proponents of "hold the line" say it is going to cost the people a lot of money to have this price raised 35 cents a barrel. Just taking that by itself it will be between \$400,000,000 and \$500,000,000. But I say that by this nonsensical operation of O. P. A. as to oil the Government and the people have lost more than that. The people have been driven to higher costs of transportation—railroads and busses. Their time has been taken up by lack of transportation by automobile. Fifty-four thousand communities, including one State capital, are dependent on motor transportation. The \$5-use tax that the Government should get from automobile owners has been largely lost to the Government. There has been a 23-percent reduction in the use of automobiles in New York State alone. The Government has lost and the people have lost in taxes and necessary economic operation by shortage of oil; and we need oil. The use of oil is now about 5,000,000 barrels a day. Production of oil is now about 4,500,000 barrels a day—perhaps a little more. Of that production there comes more than 100,000 barrels a day from imports and 200,000 barrels a day from areas which could not be procured when we passed the Disney bill last December. Much is drawn from storage of above-ground stocks. We need oil. A price rise will produce oil. Let me tell you how it will produce oil. Here is the range. Watch these figures on this chart. Those are production wells. Here are dry wells on these blue lines. The chart indicates the average price per barrel. See how the production of wells runs right along parallel to the price. Better prices cause more well drilling. People do not produce oil except for a reasonable price. Let me point out when we got the most oil and drilled the most wells in the history of our Nation. In 1921, when oil was \$3.50 a barrel, we drilled 52,000 wells in this country. Wildcatting now is at a low ebb. They hope to have 4,500 wells drilled this year, and no approach even to that has been made.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WHITE. Mr. Chairman, I yield the time assigned to me to the gentleman from Oklahoma [Mr. DISNEY].

Mr. RUSSELL. Mr. Chairman, I also ask unanimous consent that the time allotted to me be transferred to the gentleman from Oklahoma [Mr. DISNEY].

The CHAIRMAN. Is there objection to the requests of the gentleman from Idaho and the gentleman from Texas that the time allotted to them may be used by the gentleman from Oklahoma?

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. BATES of Massachusetts. We all appreciate the great amount of time the

gentleman from Oklahoma [Mr. DISNEY] has given this very grave question. What we do want on the eastern seaboard is more oil, but the suggestion of the gentleman, under the parity price, will not increase oil only 35 cents a barrel but it will increase it 75 or 80 cents a barrel, and we do not have any chance in the world of getting it by. If the gentleman will take the recommendation of the Fuel Oil Administrator, we can go along with that, but when you want to double the price then we cannot go along. That is what you are doing by the parity-price provision.

Mr. DISNEY. Oh, no. The gentleman is wholly in error. This is exactly the bill you passed last December, which means an average of 35 cents per barrel. Now, I agree it is not enough to get all the oil we need.

Mr. BATES of Massachusetts. Will the gentleman yield for a moment?

Mr. DISNEY. I yield.

Mr. BATES of Massachusetts. Upon presentation of your bill when we considered it last November, I was very much interested in it, and I discussed the matter myself with the Office of Fuel Administrator, who told me that under the parity provision of the bill the price would have to go up 75 cents to 80 cents a barrel.

Mr. DISNEY. True, if it were complete parity, but this is only 80 percent of parity.

Mr. BATES of Massachusetts. Even if it is only 80 percent.

Mr. DISNEY. Oh, no. The gentleman is wholly mistaken. He has been wholly misled. Do not follow any chimerical information of that kind. That is not correct. Nobody who has any understanding of the facts will agree that that is true.

Mr. BATES of Massachusetts. If 100 percent is 75 or 80 cents, 80 percent would be four-fifths of that.

Mr. DISNEY. Please do not take all of my time. I hope the House will take my assurance. I would not mislead this House. My honor is involved here. I tell you this means 35 cents a barrel and if you have received any other information you are mistaken.

Mr. BATES of Massachusetts. I am only telling you what I was told by the Fuel Administrator's Office, that your bill will mean an increase of 75 or 80 cents a barrel.

Mr. DISNEY. I cannot help that. He can be mistaken just like anybody else. That is not correct and you can depend upon that. That is not correct. I know what I am talking about.

Mr. PLOESER. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. PLOESER. The parity formula included in this bill was arrived at by taking the Petroleum Administration's 35-cent average figure. That is how you arrived at 80 percent.

Mr. DISNEY. That is correct.

Mr. PLOESER. The statement of the gentleman from Massachusetts [Mr. BATES] is in error.

Mr. DISNEY. Now, let me tell you this: It takes five times as much cost to discover a barrel of oil as it did in 1937, and about six times as much drilling.

We have heard a lot of argument that the big companies are making money. They have made less money in 1943 than they did in 1941. They made \$530,000,000 in 1941 and made \$508,000,000 in 1943, and \$200,000,000 of that went into replacements and the production of that oil.

Now it is proposed that we have subsidies. Absurd notion of subsidies. I wonder where that came from. If you have subsidies the big companies will share 70 percent in the subsidies and the independents about 30 percent. These independents are being wiped out. I am not sure but what the doom of the independents is already signed and sealed. The big companies are the only markets for the independent properties.

Where does the money that these big companies make go? They are in high tax brackets so it goes into the Treasury of the United States.

Here is an unhealthy condition arising: Many of the manufacturing interests of the country have gone out and started drilling oil wells. If they strike oil they make some money. If not, they charge it off against taxes. The legitimate oil operator in the oil business for his lifetime has to take what the O. P. A. is giving him.

Let me tell you this confidentially. A member of the committee who is opposing this amendment said to me in discussing the matter the other day, "Leon Henderson ought to have fixed this thing up at the start instead of leaving oil down at 62, with the general average of about 103."

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. BROWN of Ohio. The gentleman from Massachusetts [Mr. BATES]—

Mr. DISNEY. Oh, let us not go into that. The gentleman from Massachusetts is totally in error.

Mr. BROWN of Ohio. The 35 cents per barrel amounts to the difference between 62 percent of parity and 80 percent of parity.

Mr. DISNEY. Yes.

Mr. BROWN of Ohio. That 18 percent amounts to 35 cents a barrel.

Mr. DISNEY. I am not going to put in my time on a wholly erroneous assumption.

Mr. BATES of Massachusetts. Will the gentleman yield just for a moment?

Mr. DISNEY. I yield.

Mr. BATES of Massachusetts. Did the bill which we passed in December contain the 80 percent of parity provision?

Mr. DISNEY. Yes. Let me show it to the gentleman.

Mr. BATES of Massachusetts. Then I have no objection to the amendment of the gentleman.

Mr. DISNEY. Now, let us look at what the price does on production. I am taking for granted that you are not interested in whether the oilmen make money, but you ought to be interested in whether or not we are going to have a monopolistic situation, with the big companies owning it all after the war is over. This 62-percent squeeze play was in operation, and we were in the trough when the prices were fixed—in the trough at 63.8.

Fairness and foresight in our national interest demands this amendment.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. DISNEY] has again expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in trying to bring about what I think to be justifiable relations for the stripper-well producers, the gentleman offers an amendment which I think we should view with caution before any Member votes for it. The effect of the amendment would be an increase at the source of 35 cents a barrel.

That is a mathematical increase. Then the increase all along the line to the consumer will be much more than 35 cents. My investigation agrees with the gentleman from Oklahoma about the first increase being 35 cents a barrel.

Mr. DISNEY. Seven-eighths of one cent a barrel on gasoline.

Mr. McCORMACK. Then, of course, the middleman, and on to the consumer. But, what about the 65 or 70 percent of those who are producing, who are big companies? I am not against big companies. I try to vote to give justice to all groups. But, in our effort to help the fellow who owns the stripper well—I know there can be some justifiable complaint of the delay in that not being made, but we have tried to do it—but in the attempt to help that justifiable group, a group that ought to receive consideration, we are going to throw onto the American people an increase at the source of about \$560,000,000 a year, because we produce about 1,600,000,000 barrels of oil. Sixty-five to seventy percent of those getting the benefit are now making mighty good profits on the present prevailing prices. The effect of this amendment is to swell the profits of the large companies, in an attempt to help a group that should be assisted.

This argument that it is going to be reclaimed through excess profits, of course, we know is not a legitimate argument on this amendment. There is no relationship between cause and effect there. So that argument, to my mind, seems to be very, very specious.

The important thing is this: Whether or not you are going to make this a bill to bring about inflation or a bill to control inflation. That is the thing that disturbs me. If this amendment is adopted it is the first real step that will change this bill from one to control inflation to a bill to bring about inflation. Do we want to send it on that journey?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from Kansas [Mr. REES] for 3 minutes.

Mr. REES of Kansas. Mr. Chairman, I have the highest respect and deepest regard for the distinguished gentleman from Massachusetts, the majority leader of the House, who has just preceded me, but I cannot agree with his views concerning this legislation. The amendment of the gentleman from Oklahoma [Mr. DISNEY] does not destroy nor weaken the Price Control Act.

I think we ought to recognize first that we are dealing with a very important war material. About half of the crude oil produced goes directly for war purposes, that is for the use of the Army and Navy. About 14 percent goes to industries and public utilities. Railroads get 8 percent, busses and taxicabs 10 percent, passenger cars about 10 percent, and the farmer 5 percent. No one is asking for increased supply of gasoline for pleasure driving or unnecessary use, but we must have a certain amount of gasoline in order to carry on necessary operations.

Another thing that should be recognized is that the crude oil price is 60 percent of parity. Why pay subsidies for a material that sells so far below parity? The gentleman who preceded me says there would be an increased cost to the consumer. I believe it is pretty well agreed the price per gallon of gasoline would be increased about 1 cent per gallon under this measure. The price of crude oil has not been increased since the Office of Price Administration was established, but gasoline has increased about 1 cent per gallon. Crude oil is selling now for about the same price as it sold for in 1937, 7 years ago. Back in 1936 the average cost per barrel for drilling the oil wells was \$56.92. In 1943 it was \$207.69. It ought to be observed that although new production has decreased, the demand for crude oil is about twice of what it was in 1936 and the demand comes about notwithstanding a strict program of rationing.

Mr. Chairman, there are a few things we can do to increase the all-over supply of crude oil. One is to raise the parity price of crude and bring it up near parity. It is suggested we may import crude oil. It is impractical to do that now, even if we want to do it. We have just agreed to spend several million dollars to increase the supply of gasoline by synthetic methods. Anyone knows such gasoline is going to cost two or three times present prices. We have the further method suggested for increasing production, and that is to pay subsidies. The suggestions made on the floor today with regard to the payment of subsidies is to use such funds for stripper wells. That will only provide an increase temporarily, but it will not really increase reserve supplies. It will not solve the problem. Furthermore, it just does not make good sense to use Federal funds to provide increased production when it can be done by paying 80 percent of parity for crude oil.

Mr. Chairman, I have pointed out on the floor of the House on other occasions that the demand for crude petroleum is about 5,000,000 barrels per day. The supply of production from all sources is approximately 4,700,000 barrels, so there is a deficiency of 300,000 barrels of petroleum per day. We are drawing on reserve supplies for this amount. Supplies of gasoline and crude oil, as I have just told you, are rationed to the very limit, but even at that during the past 3 years the supply of crude oil has been reduced 83,000,000 barrels. We cannot permit it to be reduced much further and get along.

Mr. Chairman, a great deal has been said about the profits that are made by

the big oil companies. These profits are not made from crude-oil production. The companies have big contracts with the Government and make their profits on refining, transportation, and on prices of refined products. If the O. P. A. wants to curtail their profits, they can use other means than to fix a price on crude-oil production that is below cost, and that is what is going on right now.

Mr. Chairman, my first and important interest in this problem is to see that we have an adequate supply of crude oil to meet the demand for carrying on our very necessary activities. Unless we bring in new production, our supply will dwindle to a dangerous point. I also want to direct your attention again to the fact that the small independent operator is the one who really pioneers and discovers the new production. Under present regulation he is slowly but surely going out of business. At the present rate the independent operator will be swallowed up by the big companies in a couple of years.

Mr. Chairman, this amendment is not inflationary. It is not out of line. It does not injure the Office of Price Administration in any respect. It is fair and right, and ought to be supported.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Texas [Mr. GOSSETT] is recognized for 3 minutes.

Mr. GOSSETT. Mr. Chairman, I want to caution the Members against being influenced too much by this red herring they are dragging across the trail that the big oil companies will make more money under this proposed amendment. It is not going to mean any more money in the pockets of the big oil companies. They make their money out of refining, pipe lines, and so forth, not out of the price of crude oil. They would make less money out of higher-priced crude than out of lower-priced crude.

There are several things we might agree on regarding this question. Every responsible agency of this Government except O. P. A. and Economic Stabilizer Vinson has recommended an increase in the price of crude oil and have been recommending it for the past 2 years. P. A. W. did, P. I. W. C. did, and a half dozen committees of Congress have recommended an increase in the price of crude oil.

There is no question but what we must have more crude oil both for the domestic program and for the war program. I was told recently by an official of O. P. A. that they were holding themselves ready to embark upon a subsidy program for oil. I asked him what they were waiting for. He said: "We are waiting to see whether you boys write the Disney formula into the O. P. A. bill, and if you do not this subsidy program will get under way."

The Assistant Secretary of the Navy, Ralph Bard, recently had this to say relative to the need for more oil:

On May 3 we received a request from the Joint Chiefs of Staff for an immediate in-

crease in the production of oil from Elk Hills from the present rate of 15,000 barrels a day to 65,000 barrels a day. I need not add that we in the Navy hoped to conserve the Elk Hills reserve with only nominal withdrawals throughout the war. But we have been forced to the reluctant conclusion that a large increase in production is now imperative.

Another important question is whether or not the small petroleum industry of this country will survive. If this formula is not adopted, at the end of the war the petroleum industry of America is going to be owned almost exclusively by the major oil companies and they may ration gasoline to the people at their own prices.

I am opposed to the O. P. A. oil subsidy program for these five reasons:

First. It will set up a multiple price system for one commodity.

Second. It will not stimulate the necessary exploration and will not increase supplies or reserves appreciably.

Third. It will not save the independent oil industry of America.

Fourth. It ignores the recommendations of every other responsible agency of the Government and of industry.

Fifth. It will set up a vast and complicated administrative bureau requiring a small army of auditors, checkers, accountants, and so forth, and will eventually cost as much as the over-all price increase required by the Disney bill.

We passed the Disney bill by an almost 2-to-1 vote in this House; we voted against subsidies by almost the same majority. Every Member who believes in a fair deal to the small independent businessmen of this country, who wants an adequate supply of petroleum in this country, who is opposed to subsidies as a substitute for price increases, who believes a price increase would do the job better than would subsidies, ought to vote for this Disney formula.

Mr. KILDAY. Will the gentleman yield?

Mr. GOSSETT. I yield to my colleague from Texas.

Mr. KILDAY. I want to commend the gentleman for the interest he has taken in this matter of an increase in the price of crude. It seems to me that no one should object to placing a floor of only 80 percent of parity under crude oil. I concur in the gentleman's remarks and am supporting the Disney amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Texas [Mr. LANHAM].

[Mr. LANHAM addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, in this discussion there is one matter other than the amendment pending to which I must refer, even in the short time at my disposal. The situation which confronts us here apparently is a clash between a fear on the part of the distinguished and able gentlemen who are defending the bill against amendments and those who would amend the bill

that we might in some strange fashion do something that might affect what might be termed the war effort. That remark has been dropped once or twice and, of course, every American in this group realizes that when things of that kind are uttered they just do not make sense.

As the gentleman from Texas [Mr. LANHAM] just stated on the floor, the question of oil is a vital question, and with reference to price control there is a vital issue involved. Price control, Mr. Chairman, to the contrary of the defenders of the bill notwithstanding, was never intended to be price paralysis, which destroys the functions of price upon which all production and all distribution in the history of our Nation has depended.

Costs have gone up and up and up, yet the price is set at a point which is unconscionable at the outset for the major war blood, which is oil. Mr. Chairman, should we not counsel with ourselves in honorable and tolerant fashion and admit that certainly something constructive can be done to relieve the situation and keep this oil blood flowing freely from the reserves upon which we must depend and which came originally from wild-cat operations that have already been discussed at length by my distinguished friend from Oklahoma?

Mr. BECKWORTH. Will the gentleman yield?

Mr. KLEBERG. I yield to the gentleman from Texas.

Mr. BECKWORTH. I want to concur in all that the gentleman has said. The gentleman knows that any person who is at all familiar with an oil field realizes that all costs of production have constantly gone up since the beginning of this war, and if nothing else justifies an increase, the rise in the cost of production does.

Mr. KLEBERG. Of course, that is what I referred to in my concluding remarks a moment ago, and I repeat them. When prices for a vital commodity start at the lowest ebb, save in the case of the price of cotton, when price control was placed on it, to say today that, unmindful of rising costs and unmindful of decreased operations in the oil field, we should not do anything about it, is something I cannot agree with. I shall support the amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. LANHAM asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. VURSELL. Mr. Chairman, referring to the query of the gentleman from Massachusetts, may I say that Mr. Knowlton, formerly of the Petroleum Administration, in discussing this matter before one of the committees and with me in person, when we had the matter up prior to the time it was passed, gave it as his opinion, based on proper statistics, that an increase to 80 percent of

parity would bring the price of oil only up to about 35 cents a barrel Nation-wide. This House voted in December by an overwhelming majority for the pending amendment in order to get a greater production of oil in the United States.

Mr. Chairman, this is a war measure. We have heard that before. We do not know how long this war will last, but we do not want our planes grounded and our Navy crippled, the efficiency of our armed forces impaired, by a failure to put our house in order and to do our best to produce all the oil we can in this Nation. If we fail to do this, it may cost the lives of hundreds of thousands of our soldiers.

Shall we do the sensible thing? Shall we be consistent and pass this amendment today in order to give economic relief to the country that is necessary, and in order to add the greatest power to our striking military forces in the defense of this country, or shall we quibble around and wait for more regimentation, more expense, more subsidy, more un-American socialistic policies to be put into operation in this Government, which have been voted against consistently by a majority of this House, or shall we approve this amendment, and get more oil?

No one, whether he lives in an oil territory or not, will have to apologize for his vote for this amendment to his people when he goes home. This is not an inflationary measure. The men and women of this country in civilian life, the farmers who operate power-driven machinery, would rather pay 1 cent more on their gasoline and have it for the production of food to win the war and for the distribution of the ordinary necessities of life throughout the Nation, than to go along and have a shortage of oil for our military forces and continue this regimentation and rationing of oil for years after the war.

Mr. Chairman, I beg the Members to support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

(Mr. REED of New York asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. REED of New York. Mr. Chairman, it ought to be remembered when considering the amendment to assure a fair price for crude oil that even with the old established oil fields of Texas, Oklahoma, and California producing at capacity, the oil supply of the Nation is dangerously low. Do you know what will have to be done to meet the 1944 crude-oil quota for the United States? To meet the quota for the current year will require the opening up of new fields, if they can be located; then more than 20,000 producing wells will have to be drilled. This program is not quite so easy as a casual mention of it might imply. Experience shows that about six out of every ten wells drilled will be dry holes.

Many of the new wells will require drilling to a depth of more than 2 miles, often through thick rock formations. These deep wells require a full year of night and day drilling to sink one oil well and at a cost of \$300,000 for each well.

Every item that enters into the cost of drilling and operating an oil well has increased several fold.

Why hesitate to adopt an amendment to the O. P. A. bill to insure the cost of production of crude oil when there is an imperative need for more oil to prosecute the war? Does it make sense to destroy the production of thousands of small wells while 20,000 new wells are being drilled? The small stripper wells in the aggregate can produce a vast volume of oil if kept in operation by a fair price for crude oil.

A price for crude oil that will not pay the cost of production is comparable to plowing under hogs and cotton, only in this case it is the small stripper wells that are destroyed. Another crop of cotton can be raised and in time more hogs can be produced, but when the pipe and machinery of a stripper well are destroyed the recoverable oil is lost forever.

Just assume that the price of oil is increased and that as a result some large oil-producing companies do make large profits; will not the excess-profits tax step in and take 95 percent of the profits? The Government will get the revenue and the oil too, and the Government needs both.

There is no certainty that new producing fields can be located nor that 20,000 producing wells can be drilled during the current year.

One thing we all know and that is that if the bureaucratic slogan, "Hold the line," is continued until it breaks the oil line to our mechanized Army, the tragic loss of human life and the national humiliation of Pearl Harbor will pale into insignificance. It will be a case of wholesale massacre of our boys due to the failure of Congress to protect our armed forces from the stubborn stupidity of the O. P. A.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Illinois.

Mr. DEWEY. I would just like to say that I congratulate the Members on their splendid statements in regard to this most important subject. I intend to support the amendment.

Mr. GAVIN. Mr. Chairman, I have just been advised that the Petroleum Administrator for War has initiated a program for the conversion of oil-fired equipment to coal-fired on the west coast, because of the extremely critical oil shortage in that area. They hope to save some 5,000,000 barrels of oil. If the oil shortage continues oil-fired equipment will necessarily be discontinued all over the country.

It may be interesting to my colleague from Massachusetts, who has questioned the parity price to realize that he may have some explaining to do next winter when the New England coast has some zero weather and the people do not have any fuel oil to keep themselves warm. There is no question in my mind but that there is a bottleneck in production of oil because of O. P. A. price restrictions. We all know it.

The time for elaborate statistical surveys of this oil situation is past. The case has been proved over and over that the productive ability of the oil industry will not be exerted under the prices which have been frozen ever since price control began.

There is only one question before us: Shall we do something about oil supply or let it go on getting worse?

The Petroleum Administration last week said that the production of crude oil is not keeping pace with the demand and that there is a continued draft on the oil stored in tanks. That form of supply is limited and cannot be counted on to last long. Reserve stocks are being rapidly depreciated.

There is a great reserve of oil proved in the United States. It is being produced now at the fullest rate possible in all except one area, and in that one as much is being taken out as the pipe lines and the railroads can carry. In all other fields of the country it is going to take more drilling, more stimulating of old wells, and more maintenance work to make the reserves available for use. The job cannot be done without more money.

Does anybody deny that there is a shortage? If so, ask the consumers. They are told about these great reserves of oil and they cannot understand why they are being harassed and questioned and challenged over every gallon they use. There is an essential use of cars which is not being met.

The officials who control the price have given their answer to the question. They have said they do not mean to do anything about the problem of increasing supply. They propose, through premiums paid on the stripper wells, to keep alive this class of the oil production, but this will do no more than tend to prevent abandonment of such reserves. It will not stimulate search for new fields or drilling in the known fields.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from New York.

Mr. REED of New York. The fact is that the operators are pulling those wells every day because they cannot get the cost of production.

Mr. GAVIN. And they are selling the equipment for junk, as they are unable to continue operations at present prices.

Mr. REED of New York. Exactly. That oil, once lost, can never be recaptured.

Mr. GAVIN. That is correct.

It is a duty of Congress to do something about oil supply. It is our natural function to correct the mistakes of the administrators. The people look to us, and quite rightly so, to perform this function.

We made a start on this last December when we passed the Disney bill. It was an overwhelming majority that voted for it. Then it came to rest in a committee of the Senate and never saw the light of day again. We have the opportunity now to make our former action effective.

There are some who favor trying to work this problem out administratively. I do not know why anyone should think that worth trying further. The O. P. A. keeps right on saying that they oppose

a general price increase. They would not change if the gasoline ration was cut to a gallon a month and if every independent oil producer in the United States quit business. There is no use going back to see them any more. The matter has been before the O. P. A. for nearly 3 years, and they sing the same song they did at the start. Promises, but no action.

The administrative branch is in favor of doing everything to stimulate oil production everywhere, except in the United States. Those of us who have some concern about home affairs will have to correct the unfair condition that is inflicting severe damage on industry and public. And it looks to me the only way to get action is through legislation.

(Mr. GAVIN asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. CARLSON].

(Mr. CARLSON of Kansas asked and was given permission to revise and extend his remarks.)

Mr. CARLSON of Kansas. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahoma [Mr. DISNEY]. I assert the office of the O. P. A. has bungled the handling of our oil problem, and that is putting it very mildly. The regulations and policies set forth by this agency for the oil industry have proved; first, that they are not familiar with the problem; second, that they are not sympathetic; and third, that Congress can delay no longer taking definite action.

Thousands of independent oil producers have been forced to sell their holdings to the larger oil corporations or forced to cease operations under the present program. The oil industry has done everything within its power to secure a reasonable consideration from this agency. The House of Representatives passed a bill several months ago which would have required the O. P. A. to give some consideration to parity for oil prices. Individual Members of Congress and committees of Congress have met with officials of the O. P. A. and the Petroleum Coordinator for War urging that some relief be given before it is too late. It seems as though every one of these requests have fallen on deaf ears.

Today we have an opportunity to write an amendment into this bill which, if approved, will assure our Nation of increased oil supplies. If this amendment is approved it will give the individual producers a fair and living price for crude oil. There are some alarmists who would have us think that we are facing a crude oil shortage in this Nation. The statement has been made that we have only enough oil in the United States to last about 14 years. These figures are arrived at by taking the proved United States reserves of about 20,000,000,000 barrels and dividing it by half of our annual consumption, which is about one and a half billion barrels. Fortunately, this computation ignores many important factors. It assumes first that we are not going to find any new oil in the United States. The truth is that we are still

finding large quantities of new oil and geologists agree there are huge quantities of undiscovered oil beneath this land of ours. We are not finding oil at the rate we were finding it before the war. The reason is because our drilling activities have been greatly curtailed through the shortage of material and labor, plus a ceiling price for oil which does frequently not cover the cost of recovering it. Crude oil prices have been fixed at levels so low as to afford no possible incentive to the wildcatters to search for new oil fields.

As one who has consistently urged parity prices for agricultural products, I most earnestly hope the Committee will approve this amendment.

According to figures submitted by the Department of Labor oil is now about 60 percent of parity based on the year 1926. Is it any wonder that our oil producers are being forced into bankruptcy? Today we are advised that the Director of Economic Stabilization, Mr. Fred Vinson, is recommending a subsidy for the oil industry. This subsidy would be paid to oil wells that produce less than 10 barrels per day. It has been suggested that this office may offer subsidies or bonus payments for the drilling of additional wells.

First, I want to state that I am absolutely opposed to subsidies for the oil industry. There is no reason why we should tax our citizens to pay subsidies to this industry. A slight increase in price would take care of it directly. Subsidies for drilling oil wells will not necessarily find new oil fields. Many large concerns who are in the higher tax brackets will take advantage of this method of reducing their corporate income taxes. I am informed that a large number of corporations are already doing this very thing. They are not concerned about finding new oil; they spent their money in order to take advantage of deductible items in their annual tax.

Let us meet this issue honestly and squarely. Let us take advantage of this opportunity to write into law provisions that have been refused by a bureaucratic agency.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield to the gentleman from Oklahoma.

Mr. DISNEY. If they received subsidies, they would be drilling for subsidies, and not for oil.

Mr. CARLSON of Kansas. The gentleman from Oklahoma is correct.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield to the gentleman from Texas.

Mr. WORLEY. In my district there are many independent oil operators. Most of them are finding it most difficult to secure production of oil which the national welfare demands. The costs of producing a barrel of oil are five times greater now than they were before the war, yet the independent producer receives no more for his production. No military operations can be successful today without oil and gasoline, and we must see that a sufficient supply of oil is always maintained. And we will not get

sufficient production of food, clothes, oil, or anything else if the producer thereof is compelled to produce at a loss.

Mr. CARLSON of Kansas. The gentleman is absolutely right.

[Mr. ROBSON of Kentucky addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Chairman, I call the attention of the House to the fact that just a few days ago the Committee on Naval Affairs of this House came in with a bill which wrote a formula for the handling of oil production out of the naval oil reserve at Elk Hills, Calif. They said then, and most of us know that the reason for that emergency was that the Navy needs now an additional 50,000 barrels of oil per day for use in the Pacific, not tomorrow, not next month, not next year, but now. They need these 50,000 additional barrels per day now. That is the shortage in the war effort in the Pacific.

There has been some talk of subsidies here on stripper wells. I think it has been well pointed out that no matter what subsidies you pay to produce oil from these stripper wells, it does not enable the exploration for new wells.

There has also been talk on the floor of what increase in the retail price may be brought about. As I understand this amendment, it is perfectly possible for the O. P. A. to hold the retail price line if they will apply the same stubbornness to the holding of that line that they have applied over many months to the holding of the line on crude oil whereby they depleted the production of oil in America.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Oklahoma.

Mr. DISNEY. This amendment if adopted will increase the price of gasoline eighty-five one hundredths of 1 cent per gallon.

Mr. PLOESER. What is most important it will enable us to get an adequate supply of oil for war and for civilian use. There is nothing new in this formula. We have already written into price control the parity formula. This formula is on an 80 percent of parity minimum. I happen to know that that means approximately an average of 35 cents per barrel, because I wrote the formula and introduced it as an amendment that was attached to the oil bill that went through the House some time ago, known as the Disney bill. I arrived at the 80 percent by taking a 35-cent average increase.

Those who are responsible for the production of oil in this country are advocating this increase so that we may get adequate production. Those who are trying to revolutionize the economics of the country are responsible for lengthening the war effort by handicapping the production of oil. On the one hand is the Petroleum Administrator for War and all those agencies charged with production, and on the other hand is that

revolutionary agency known as the Office of Price Administration, which has attempted to remake our entire economy.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts, [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts to the amendment offered by Mr. DISNEY: In the proviso at the end of the amendment, after the word "at", strike out the word "less" and insert the word "more"; and strike out all after the word "parity" in line 13.

Mr. BATES of Massachusetts. Mr. Chairman, I appreciate the splendid work the gentleman from Oklahoma [Mr. DISNEY] has done in regard to the fuel oil and the gasoline question, and the interest that many of the Members of the House have taken in this question over the past year.

I had the privilege of serving on the special committee that had to deal with this subject. After several weeks of investigation of all the factors entering into the question of oil prices, and visiting the oil fields and talking to the producers and the wildcatters and all parties interested in the oil question, I came back with the committee and recommended an increase in the crude-oil prices. The gentleman from Oklahoma [Mr. DISNEY] and every other Member of the House who is interested in the oil question knows that to be true.

I have followed very carefully and closely the recommendation of the Petroleum Administrator for War in his recommendation for a 35-cent-a-barrel increase. I have delivered many addresses in the congested areas of this country in favor of that increase. The Disney amendment offered here goes beyond that. The Disney amendment develops a parity price for crude oil, and I am informed by a representative of the office of the Petroleum Administrator that that means an increase of 75 to 80 cents a barrel over present prices, double that recommended by the Petroleum Administrator.

My amendment simply provides that the increase shall not go above 35 cents a barrel. This increase of 35 cents was recommended by the Petroleum Administrator and generally accepted by the representatives of the petroleum industry. Such an increase, it was stated, would be very helpful in stimulating production and would mean an increase of 1 cent a gallon to the consumers of fuel oil and gasoline. The Disney amendment provides:

That such ceiling shall not be fixed or maintained at less than 80 percent of parity and not to exceed parity.

Under this amending the Price Administrator would be compelled to give consideration to the question of all cost going into crude-oil production. This means parity and parity prices means an increase of 75 to 80 cents a barrel.

That is where I differ on this bill. If you will adopt my amendment limiting the increase to 35 cents, I shall go along

for an increase. We then would be clearly in line with the recommendation of the Petroleum Administrator for War for an increase of 35 cents a barrel. If we go beyond that there is no hope of getting any price increase, there is no hope of getting any more oil. What we should do today is to pass legislation that will give us more oil. It must be remembered that this question of price increase has been discussed and debated for over a year. The Petroleum Administrator for War as far back as May 1943 recommended an increase of 35 cents a barrel for crude oil. He strongly felt that such an increase would stimulate new discoveries and more production. His recommendations were not approved by the Price Administrator. The result is that nothing has been done and the people of the country have for a long time been on a strict ration basis for fuel oil and gasoline, and there is little hope for the near future unless some way is found to stimulate production. To sum up the situation concerning the price of crude:

The Petroleum Administrator recommended an increase of 35 cents a barrel in May 1943.

The Administrator of Price Control has consistently denied this recommendation. Result, nothing has been done about a price increase for crude oil.

The Disney amendment provides that in determining the price to be paid for crude oil the Price Administrator shall give consideration to cost factors. This means parity and parity means an increase of 75 to 80 cents a barrel, double the 35 cents recommended by the Petroleum Administrator and refused by the Price Administrator. My amendment limits the increase to 35 cents a barrel which was recommended by the Petroleum Administrator over a year ago. This bill must go through the Senate and then be approved by the President. If the increase of 35 cents a barrel has been denied by the Price Administrator what hope is there that the Disney amendment calling for a parity price—meaning 70 to 80 cents increase—will be approved? It seems to me that we should take a moderate approach to this problem in the hope that something will be done. It is obvious to anyone who has studied the question that new discoveries of crude oil must be found in order to meet the growing demands of the country, both for war and peacetime purposes.

My amendment, I believe, has more of a chance of being enacted into law.

The CHAIRMAN. The gentleman from Arkansas [Mr. HARRIS] is recognized.

Mr. HARRIS of Arkansas. Mr. Chairman, I think the Members of the House had better well consider the amendment proposed by the gentleman from Massachusetts, because I think the gentleman from Massachusetts proposes something which will not do what he thinks or intends it to do. I think he is wholly mistaken in just what he is proposing here as a formula by offering the language that he does as an amendment to the Disney amendment. As provided in the formula of the Disney amendment it states that the index of all commodities as reported by the United States Depart-

ment of Labor, Bureau of Labor Statistics, in the wholesale commodity price index, based on the year 1926, shall be taken into consideration, provided that such ceilings shall not be fixed or maintained at less than 80 percent of parity. The amendment offered by the gentleman from Massachusetts says, "not more than 80 percent of parity." That reverses the intent of the amendment altogether.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HARRIS of Arkansas. I yield.

Mr. BATES of Massachusetts. I am agreeing to the 35-cent-a-barrel increase. I am opposed to the 80-cent increase. That is all my amendment does.

Mr. HARRIS of Arkansas. I think the gentleman has been wholly misinformed as to 80 cents a barrel increase in this whole discussion. Today the parity of oil is on the basis of 63, as compared to all commodities.

Mr. BATES of Massachusetts. That is right, \$1.20.

Mr. HARRIS of Arkansas. This proposes 80-percent parity or an average increase of 35 cents per barrel. If it were to be increased to 100-percent parity, which we do not propose, it would probably be about \$1.88 per barrel.

Mr. BATES of Massachusetts. That is right; about \$2.

Mr. HARRIS of Arkansas. But 80-percent parity would increase it an average of 35 cents a barrel.

Mr. BATES of Massachusetts. That is right; if it is limited to that, I am in favor of it. The Disney amendment does not limit it, but puts a ceiling on it and says, "Not to exceed parity."

Mr. HARRIS of Arkansas. Does the gentleman think the Office of Price Administration or anybody that has anything to do with the setting of prices is going to set the price beyond the specific language of the legislation?

Mr. BATES of Massachusetts. The language says they shall take into consideration parity prices. That is what I am objecting to.

Mr. HARRIS of Arkansas. I hope the Committee will vote down this amendment. I intended to give my time on the merits of the Disney amendment, but considering the importance of this proposed amendment to the Disney amendment, I have devoted my time in opposition to it, and I hope it will be defeated and the Disney amendment adopted. It would give relief to the stripper and marginal producers and prevent the closing of thousands of wells and losing the reserves under these wells forever. It would provide incentive for exploration in this country and encourage greater development, which is of so vital importance to this Nation. I am for price control on a fair and equitable basis. I realize its importance, and we must have it. I have supported and voted for price control and stabilization to prevent inflation and run-away prices. It was never the intention of Congress, however, to destroy any industry, but to give fair and adequate opportunity for industry to continue to contribute to the progress of the war and the welfare of the Nation.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MONRONEY] is recognized for 3 minutes.

Mr. SPENCE. Mr. Chairman, the gentleman from Oklahoma [Mr. MONRONEY] comes from an oil country. He has made a very exhaustive study of this subject. Therefore, Mr. Chairman, I ask unanimous consent that I may yield to him the time allotted to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MONRONEY] is recognized for 8 minutes.

Mr. MONRONEY. Mr. Chairman, I assure you that if I felt it was possible to get an increase for the oil producers of my district, which are many, without severely injuring and damaging inflation control, without damaging the oil industry itself, I, perhaps, would be joining with my colleague and others from oil-producing States, in advocating the raising of the price of oil by legislation. But if the price of oil can be raised by legislation it can also be lowered by legislation.

Mr. Chairman, this amendment attempts to establish a parity formula for oil. It attempts to pick out of the vast number of Government reports—and they are legion—the all-commodity index of the Bureau of Labor Statistics, which has no standing whatsoever in law and which has no specified certainty as to the component parts of that index in law. It takes a figure that has no more standing in law than the box score of the New York Yankees and ties the price of oil to the all-commodity index. What is contained in that index?

There is steel, cotton, aluminum, magnesium, tin, fertilizer, and many, many other things which go to make up the all-commodity index. Perhaps today the all-commodity index would help you get a 35-cent increase, or even a lot more.

But perhaps in a year or so another Congress might be quoting the fact that the oil industry wanted this so-called parity and in a hasty moment tied their prices to the all-commodity index. If we establish a parity price of oil based on the all-commodity index, will we not in all fairness be required to give that parity to the other items in that commodity index, many of which are far below the all-commodity index? Electric power, aluminum, and other things are selling far below the all-commodity index line. I would like to call your attention here to a table showing the added cost if some of these items are given this so-called parity.

When we raise an important commodity up to the general average, which is the line, we then raise the line a little bit higher. That is simple mathematics.

It seems to me the only way you can consider this and other amendments is, are we fighting inflation or are we fighting O. P. A.? Do we consider that in the midst of the most terrific spending in all history for war, the line against increased prices has been held?

Yet here today you have tied the hands of O. P. A. by almost every amendment.

This amendment will add roughly a half billion dollars to the cost of oil. One hundred and seventy-five million dollars of this must come out of Uncle Sam's pocket for the oil he is using for the war effort. The balance comes out of the pockets of the public. If it is limited to 35 cents, which some of the oil amendment backers do seem not to quite agree on, if it goes the whole limit, it raises it something like \$1,000,000,000 a year. I do not think we can stand that inflationary pressure.

It was admitted by oilmen themselves before our committee that 70 percent of all of the oil production, and this is not profits, this is oil production out of the ground, is in the hands of the major oil companies. It was admitted before our committee that 70 percent of all the production was in the hands of the major oil companies. Seventy percent of this half billion dollars will go to the major oil companies who, on the record, do not need one single dime, most of them being in the excess profits brackets.

You are trying to help, and I want to help the little, small fellow who cannot make both two ends meet, the submarginal producer and the stripper wells. Yet in order to help him you are going to help and give one fellow a windfall profit on 70 percent of the production in this country. I do not think that is what you want to do. I think we should use common sense in the midst of this terrible war in this difficult job of holding prices and put the relief where it is needed.

That is why it is proposed to pay a subsidy price on the stripper well production to keep them in production. They have broadened this program some and have improved it some and have tried to get the cooperation of the P. A. W. to that end. I have no time to argue the subsidy question, but I say that 90 percent of the complaints, the legitimate complaints that are made against the oil ceiling, would be relieved largely by that subsidy provision. We hear a lot of talk about the great shortage of oil. It is claimed, "Tomorrow morning our ships will be without oil." In the year 1943, the year of greatest consumption of oil in our country, our reserves in the ground yet unproduced, according to the testi-

mony, decreased only one-tenth of 1 percent.

Does anybody think that through a mysterious price increase of 35 cents a barrel, the people of Massachusetts will have all the gasoline they need to drive to Maine on vacations, or all the oil they want to burn? No.

The limitation is on refining—on the carrying activities. We have the oil in the ground to finish this war. I say we should increase this reserve if we can. The figures and estimates of P. A. W. itself are that 5,000 wells will be drilled searching for oil this year. That is more than have been drilled any year since 1937. Yet we hear about the poor fellow; but the flush producer who is going to get this 35 cents or 70 cents increase, you do not hear on the floor. However, that is where about 70 percent of the increase will go. Those men are more worried about excess-profit taxes than they are the price of oil.

Mr. GAVIN. Will the gentleman yield?

The CHAIRMAN. The gentleman stated he declined to yield.

Mr. MONRONEY. Gentlemen you either want price control or you do not. There is no easy way to get it. Everyone can make a very good case for the hardship cases, but if we give way on oil we are going to break the line and give way on other major commodities. In establishing this parity formula you will set a precedent that will come home not only to haunt this Congress but to haunt the oil industry as well.

I beg of you gentlemen, if you heard from the people who are in favor of controlling inflation we would not be seeing the spectacle that we see on this floor today, with the committee in full retreat, not having been able to fight off a single price-increasing amendment.

I wonder if back over these 48 States tomorrow morning or Monday or Tuesday some of these 92 percent of the people who, by the Gallup poll, say they are in favor of the operation of O. P. A. will be heard from. That percentage does not apply to inflation control support today on the floor of this House—yet, when you hear from the people whose cost of living goes up you are going to meet the real sentiment of this country.

Initial cost of bringing prices of 11 items up to 80 percent and up to 100 percent of their 1926 "parity"

Item	Increased costs					
	From bringing to 80 percent of 1926 parity			From bringing to 100 percent of 1926 parity		
	To Government	To public	To both	To Government	To public	To both
Aluminum.....	\$947,000,000	\$19,000,000	\$966,000,000	\$1,641,300,000	\$33,000,000	\$1,674,300,000
Magnesium.....	1,087,000,000	22,000,000	1,109,000,000	1,479,800,000	30,200,000	1,510,000,000
Lead.....	6,000,000	6,000,000	12,000,000	27,900,000	27,600,000	55,500,000
Tin.....	2,000,000	1,000,000	3,000,000	17,300,000	5,600,000	22,900,000
Electricity.....	539,000,000	862,000,000	1,401,000,000	985,000,000	1,576,000,000	2,561,000,000
Rayon fabrics.....	66,000,000	794,000,000	860,000,000	91,200,000	1,108,300,000	1,199,500,000
Residential rents.....	.....	784,000,000	784,000,000	2,960,000,000	2,960,000,000	2,960,000,000
Copper (electrolytic).....	.....	.....	.....	183,000,000	21,000,000	204,000,000
Iron and steel.....	.....	.....	.....	(1)	(1)	1,250,000,000
Cement.....	.....	.....	.....	22,080,000	5,000,000	27,000,000
Gas.....	.....	.....	.....	(1)	(1)	210,000,000
Total.....	2,647,000,000	2,488,000,000	5,135,000,000	4,446,500,000	5,766,700,000	11,674,200,000

¹ Not available.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

The gentleman from Massachusetts has offered an amendment to the amendment.

The question is on the amendment offered by the gentleman from Massachusetts to the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 123, noes 57.

So the amendment was agreed to.

(By unanimous consent, Mr. HARRIS of Arkansas was granted permission to revise and extend his remarks.)

Mr. SPRINGER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: On page 12, line 2, strike out the quotation marks, and at the end of line 2 insert the following language: "No maximum price shall be fixed or maintained upon any article of property, of whatsoever character, which is sold by any administrator, executor, trustee, receiver, or other officer of any court, which is sold under the order or decree of such court."

Mr. SPRINGER. Mr. Chairman, the amendment which I have offered relates to judicial sales, and to the confusion which has existed between the O. P. A. regulations and judicial sales which are conducted by trust officers throughout the country.

In all trust matters which are pending in our local courts and in our Federal courts—I refer especially to the settlement of estates, in which executors and administrators are appointed and are acting, and I refer to guardians, and in the Federal courts I refer to trustees and receivers, because they come within the category of officers who are greatly concerned in this matter. In many of those cases a very serious situation exists regarding prices. As all of you who have participated in matters of this kind know, a trust officer, acting under order of court, who is under oath and is under bond, is required to have an appraisal made of the property he is about to sell. These sales are forced sales. They are sales that are brought about by reason of the necessity of settling estates of bankrupts, or of those whose property is in the hands of trustees, or of decedent's estates. After appraisal has been made, then the order of court is made for the sale of the property. Under the laws of the respective States the trust officer is required to sell the property to the highest and best bidder. That is, he must secure the highest price obtainable for that particular property. That is where the O. P. A. regulations operate to prevent the trust officer, and the court, from complying with the laws of the State. I have a letter from one judge and I want to read some extracts from

that letter with respect to the confusion which has existed.

I read from this letter.

We had in the settlement of this estate a one-half ton truck, 1936 model, which had been appraised for \$600. There were a number of persons who wanted to buy this truck and they had offered to pay as high as \$700 for it. We then consulted the O. P. A. Administrator, they advised us that for this truck the ceiling price was 41 percent of \$612, which was the original cost, which would mean the sum of \$250 was all the O. P. A. would permit that trust officer to receive for that truck when he was charged under the law of the State under which he was operating that he must receive the highest and best price which he could obtain for that property.

That confusion has continued in my section of the country, and in my State, and I have received communications just recently that some judges have gone so far as to order their trust officers that they must not consider the rules or the regulations of the O. P. A. in carrying out their judicial sales, and their functions under the order of the court in which such trust matter is pending.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. The gentleman's amendment applies only to judicial sales.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. DONDERO. It has been brought to my attention that auction sales on farms throughout the country have met with the objection from O. P. A. that articles sold must not go beyond the price fixed by O. P. A.; and the sales were discontinued.

Mr. SPRINGER. The gentleman is entirely correct. I have had a large number of similar instances brought to my personal attention. My amendment, however, relates only to sales under order and decree of the courts made by trust officers acting under the courts, and under the laws of that jurisdiction.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. BARRY. The black market flourishes because people are willing to pay prices above the ceiling. What fundamental difference is there between that problem and the gentleman's problem?

Mr. SPRINGER. The difference between the two problems is that under the law of the gentleman's State, as well as under the law of my State, a trust officer is obliged to secure the highest and best price for property which he sells at judicial sales, and O. P. A. will not permit that to be accomplished. In other words, the O. P. A. regulations at least attempt to make our laws, our courts, and our trust officers subservient to its domination and control.

Mr. BARRY. In these wartimes would not the highest and best price be the price fixed by O. P. A.?

Mr. SPRINGER. No. The O. P. A. price ceiling is much lower, in many instances, than the best price which a trust officer can obtain. If the trust officer fails to secure the highest and best

price for the property he sells, under order of court, he not only violates the law of his State, but he would probably be liable on his bond. If the present existing situation continues there is no doubt in my mind that many suits will be instituted against our trust officers and their bondsmen.

It is my hope that the amendment which I have offered will be adopted by the Committee.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. SPENCE. Mr. Chairman, I rise merely to say that for 40 days we had hearings on this question and nobody ever appeared before the committee to present the matter that has just been presented by the gentleman from Indiana. There does seem to be some merit in what he says.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. SPRINGER. I will ask the gentleman if I did not present my amendment to the gentleman, on the floor of the House, just as quickly as this bill was started?

Mr. SPENCE. Yes; the gentleman talked to me about it, but it was never presented to the committee. We urged everybody who had any complaints to appear and present their views to the committee. I do not know just what effect this amendment if adopted would have on the administration of the Price Control Act.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BARRY. I should like to ask the gentleman from Indiana through the Chairman whether this question has ever gone to the highest court.

Mr. SPRINGER. It has not gone to the highest court but it has been a matter which has confused all the courts, including State courts and district courts, and they are in a confused state now as to how they shall sell this property, whether or not they will sell it under the law, under which they are bound to operate, to the highest and best bidder, or whether they are going to be controlled by O. P. A. regulations.

Mr. BARRY. All other sales are subject to O. P. A. regulations; why should not these be?

Mr. SPRINGER. I have a letter from Chester Bowles in which he states to me that all sales under \$100 are not subject to the O. P. A. regulations, but all sales which exceed \$100 are subject to O. P. A. regulations. My amendment is intended, Mr. Chairman, merely to clarify this matter and to stop this confusion existing between O. P. A. and the courts and trust officers of the country.

Mr. BARRY. But does not the gentleman's amendment propose to give a man more rights after he is dead than while he is alive?

Mr. SPRINGER. It merely gives the opportunity in these forced sales by an administrator, an executor, a trustee, or a receiver in the settlement of an estate, or in closing out the property of a person

or business that has failed, to permit them to proceed under the laws of the State.

Mr. BARRY. Why should a dead man have more rights than a living man?

Mr. SPRINGER. This merely gives the courts the opportunity to carry out their functions under the laws of their States. The adoption of this amendment will stop the existing confusion respecting all judicial sales.

Mr. BARRY. If a man wanted to sell an article while he was alive he would be subject to O. P. A., but when he dies and that article is sold from his estate it would not be subject to O. P. A. regulations.

Mr. SPENCE. Mr. Chairman, as I said before, the statement of the gentleman from Indiana seems to contain merit; I do not intend to deny that. I can conceive some sales which if there were no regulations might be highly inflationary. I do not know just what effect this amendment would have generally on the control of prices.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield for one question?

Mr. SPENCE. I yield.

Mr. SPRINGER. I know the distinguished gentleman from Kentucky is a splendid lawyer. All of us must remember that these trust officers are under oath and they are under bond to obtain the highest and best price obtainable for the property they sell, and they are under the order of the court to make the sale of such property in compliance with the law of their jurisdiction.

Mr. SPENCE. That is conceded; still they must be subordinated to the laws of the United States in these emergent times.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. BARRY) there were—ayes 71, noes 42.

So the amendment was agreed to.

Mr. LARCADE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LARCADE: Page 12, line 2, strike out the quotation mark and after line 2 insert the following new subsection:

"(1) No maximum price shall be established or maintained under this act or otherwise in the case of rough rice. This subsection shall be held to have become effective as of March 7, 1944."

RICE

Mr. LARCADE. Mr. Chairman, for more than 50 years, Louisiana has been the largest producer of rice in America; and its planted acreage and value in this State is exceeded only by cotton. The commercial culture of rice in the United States is limited to Louisiana, Texas, Arkansas, and California.

Approximately 80 percent of the State's rice acreage is in southwest Louisiana, especially in Acadia, Vermilion, Jefferson Davis, and Calcasieu Parishes. The 1942 plantings exceeded 600,000 acres. One of the features of rice production in Louisiana is the fact that ownership of acreage and production of the crop are not in a few hands. The average rice farm is nominal in size and family operated.

The principal use of rice is for human food, and for over half the world's population it is the main article of diet. Although the chief use of rice is in cooked form for human food, it is extensively used in the manufacture of many products, such as breakfast cereals, alcoholic beverages, starch, flour, cosmetics, pastes, glues, and other adhesives, vinegar, acetone, and alcohol.

As a food rice is nutritious and easily digested. One hundred pounds of clean rice contains 87.7 pounds of nutrients, consisting of 8 pounds of protein, 0.3 pound of fat, 79 pounds of carbohydrates, and 0.4 pound of ash.

Byproducts obtained in the milling of rough rice include rice hulls, rice bran, and rice polish, or polishings, as they are sometimes called. Rice hulls, the coarse fibrous husk or outer coating of the rice kernel, are used commercially as packing material, filler for horse collars, insulating material, sweeping compounds, in the manufacture of linoleum, and as a source of cellulose. Rice-hull ash is a granular silica refractory insulator with low thermal conductivity and possesses sound-deadening qualities. It is fireproof, decayproof, and odorless, and is used extensively for insulating purposes and as a base for certain kinds of soap.

Rice bran is a valuable concentrated feed for livestock, and the greater part of it is used for that purpose. Oils and fats also can be extracted from rice bran.

Rice-polish, or polishings, is a rich source of the various components of vitamin B. While a large portion of the rice polishings produced is now used for cattle feed, rice polishings can be made into palatable breakfast foods. In mixture with wheat flour, it is used in the baking of bread and pastries, and it also may be employed as a raw product from which its vitamin content may be extracted.

Paper pulp and cellulose may be made from rice hulls or rice straw. The cellulose is then available for cigarette paper or for such products as celluloid, acetate rayon, and other plastics. The pentosans in the hulls and straw can be hydrolyzed to furfural, which is an important compound used in oil refineries and elsewhere.

Mr. Chairman, on day before yesterday I offered to the House an explanation of the operation of the Office of Price Administration with respect to some of the most important industries in the State of Louisiana and particularly in my district, and pointed out to them the hardships and injustices caused by the regimentation and by the directives and the ceiling prices placed on some of our most important products.

The Representatives of the rice-producing States have consistently opposed the establishment of maximum prices on rough rice and have filed written protests and objections with the Office of Price Administration, and from time to time have participated in many conferences with the officials of that office, and do now further protest this action and reiterate our reasons therefor, to wit:

First. The placing of a maximum price on rough rice is unnecessary as there has been placed a maximum price on milled and clean rice, which maximum price on

milled or cleaned rice, if enforced, protects the consumer.

Second. The 1943 crop of rice under the maximum price under which the same was produced, harvested, milled, and distributed, was handled with a fair return to all concerned.

Third. It is unfair to the producer to place a maximum price on rough rice for the reason that under the proposal there is a scandalously wide spread between the maximum price on rough rice and the maximum price on milled or cleaned rice.

Fourth. The proposed maximum prices for rough rice are below the levels of the year 1942, and violate the 1942 Emergency Price Control Act, as amended. The term "gross inequity" was never intended to confer authority on that agency to place maximum prices at levels below the standards contained in the law but rather to permit prices to be fixed at levels above the standards when justice dictated this action. Thus, clearly, MPR 518 violates the law and intent of Congress. You cannot expect support of your program unless you administer it in accordance with the letter of the law.

Fifth. The proposed maximum prices for rough rice we are informed, are below the cost of production at this time—see testimony of hearing of O. P. A. held in New Orleans, La., on March 20, 1944—and instead of encouraging the production of this important food, will not only reduce the crop for 1944, but will practically ruin the rice growers.

Sixth. We are further informed that it is the intention to amend the above-mentioned MPR 518 regulation to provide for Federal grading of rough rice, and that the total rice production be allocated to the various rice mills and that the value of the individual rice crops be determined by "valuation committees" in order to eliminate all competition in the purchase of rice. The effect of this would be that the producer would have completely destroyed his privilege to trade in the sale of his crop, and would be entirely unable to protect himself against unfair grading, and so forth.

Seventh. Our constituents advise us that all of the producers and a majority of the rice mills are opposed to the placing of this proposed maximum price on rough rice, as the same is unnecessary, unfair, unreasonable, and that the only result would be to create unknown hardships and unnecessary confusion on the part of the producer and in no way help the consumer, and that they are all further opposed to any such regimentation on the part of your agencies as is suggested in the above and foregoing paragraphs.

Eighth. On October 1, 1943, the War Food Administrator advised me by letter that that agency did not favor establishing a ceiling for rough rice at that time, and we are unable to understand why the War Food Administration has joined in the order of March 7, 1944, placing a ceiling price on rough rice.

Therefore, in view of my sincere opinion that the facts do not justify a ceiling price on rough rice, no other alternative is left to us except to offer this amend-

ment to save the rice industry, and make this source of food available.

Other amendments will be offered covering some of the other products which are adversely affected by other Members from my State, but since rice happens to be the principal agricultural commodity of my district, I propose to discuss it with you and have offered for consideration the amendment affecting that particular product.

Rice is grown in the States of Louisiana, Arkansas, Texas, and California. Louisiana is the largest rice-producing State in the United States, and my district is the largest rice-producing district in the State of Louisiana.

The Office of Price Administration has placed a ceiling on clean or milled rice which in the opinion of the people of my State and the people in the industry is sufficient to control the price to the consumer, and besides having placed a ceiling price on the clean and milled and polished rice, which is purchased directly by the consumer, the Office of Price Administration has also placed a ceiling price on rough rice. Rough rice is the rice which comes from the farm directly after it is harvested and threshed, before being turned over to the mills for processing into the finished product.

Our people are of the opinion, and have so protested to the Office of Price Administration through their constituted representatives against the placing of a ceiling price on rough rice. They have had conferences time and again with the O. P. A. in an endeavor to convince them that a ceiling price on rough rice is not necessary.

Mr. BARRY. Will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from New York.

Mr. BARRY. Will the gentleman tell us what the price of rough rice is with respect to parity?

Mr. LARCADE. I do not have the exact figures, but I know that the ceiling price is not in keeping with the cost of production.

Mr. BARRY. The Administrator is forbidden by law to place a price below parity, so it must be above parity.

Mr. LARCADE. I know that. That is one of the complaints that is contained in my argument which I will bring out later.

Mr. BARRY. Has not parity been for years the desirable goal of the farmer?

Mr. LARCADE. I think so, but in this particular instance the price is not comparable with parity.

Mr. BARRY. It must be above parity, otherwise it would be contrary to law.

Mr. LARCADE. That is one of the things that the Office of Price Administration is doing. They are violating the law in placing the ceiling price which it has on rough rice. They are violating the Price Control Act of 1942.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Regardless of what the gentleman from New York

has just said, the ceiling price on rough rice is still out of line with the cost of production. That is what the gentleman is talking about?

Mr. LARCADE. That is absolutely correct, and that is what my people claim.

Mr. ALLEN of Louisiana. The cost of production has gone up to such an extent it is hindering the production of rice?

Mr. LARCADE. That is correct.

Mr. BARRY. Is it not a fact that the cost of production is taken into consideration when the parity formula is worked out?

Mr. LARCADE. I do not think it is taken into account in the ceiling price that has been placed on rough rice.

Mr. ALLEN of Louisiana. Unless the price of rice is increased the farmers are going out of business in the middle of the war?

Mr. LARCADE. They are not going to grow as much rice as they did previously. Rice is one of the most important food products, and it is necessary to help in our war effort to feed our soldiers and our allies.

Mr. NORRELL. Will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Arkansas.

Mr. NORRELL. The fact is when a ceiling was placed on rough rice it was done in order to relieve the squeeze that the miller found themselves in? Actually, it means that the rough rice producer must stand that which it is necessary to give to the consumer in order to give them a fair profit?

The CHAIRMAN. The time of the gentleman has expired.

Mr. NORRELL. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas [Mr. NORRELL]?

There was no objection.

Mr. NORRELL. It means that the producers of rice are being mistreated. The price of finished rice should have been increased in order to relieve the millers of the squeeze they were in?

Mr. LARCADE. That is correct. I thank the gentleman from Arkansas for bringing that point out.

Mr. Chairman, may I say to the committee the principal reasons advanced by our rice farmers with respect to their complaint on the application of a ceiling price on rough rice are numerous.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes. I think I will be the only speaker on this amendment, and I have not had the opportunity to present my argument in full.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. LARCADE]?

Mr. GAMBLE. Mr. Chairman, I object.

(Mr. LARCADE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Louisiana [Mr. LARCADE].

Mr. Chairman, if I understand this amendment correctly it would prevent the establishment of any maximum price on rough rice. We should bear in mind that if we were to do that it would have a material effect upon comparable or substitute products, such as wheat, corn, and such like. We do not know how far-reaching it might be. It would perhaps be the straw which might break the camel's back in the enforcement of the Price Control Act.

I also want to call the attention of the Members of the House to the fact that rice is a basic commodity and under the provisions of the Stabilization Act wherein we amended the Commodity Credit Corporation Act, we provided a floor under the basic commodities, corn, wheat, rice, tobacco, cotton and peanuts which were harvested after December 31, 1941, and continue that floor for 2 years following the war. As it was said here yesterday, you cannot guarantee to the farmers or to the producers a support price or any other kind of a price by manipulation of the maximum price.

The maximum price, you understand, set up under this act is the price which the consumer pays for the commodity and it is not necessarily reflected back to the producer; so the only way you can assure a producer parity or 90 percent of parity or cost of production or any other price which we see fit to guarantee to him is through the support price provisions which are administered by the Commodity Credit Corporation. That not only has to do with the basic commodities which I have mentioned but also has to do with all other encouraged crops, where the Government has encouraged the expansion of production of any commodity which is not a basic commodity then that commodity gets the full benefit of any floor which we place under the basic commodities.

Mr. Chairman, this amendment would not necessarily help the rice grower. I am sure that it would materially affect the cost of living by starting the escalator or the spiral or whatever we might want to call it. I do not believe this House, I do not believe the committee, wants to take the responsibility for breaking the line, because if we do so in regard to rice, of course, it will be inconsistent on our part to deny like benefits, if they can be called benefits, to almost all other commodities, not only agricultural commodities but all manufactured goods as well.

Of course, if we adopt this amendment we may expect any other group or individual who has a particular grievance against these prices to ask us to instruct the Administrator to administer this law so as to effectuate the defeat of our purpose, which is to control prices, and thereby control the cost of living. I think this is a very dangerous amendment. It is one not in keeping with our philosophy of price control, and I hope it will be defeated.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if there is one certain way of breaking down price control it is to start and take one product and then another product out from under price ceilings simply because a particular group feels it is necessary in a particular section. There is not a Member in this House who does not have complaints about particular products in his district, agricultural or otherwise. There is not a Member in this House who probably would not like to bring before this committee amendments exempting this product or that product. Our colleague on the committee the gentleman from Wisconsin [Mr. DILWEG] has a particular product in mind. I do not know whether he will bring it before us or not. If he does, I shall reluctantly have to vote against it, even though he is a member of the committee and a good friend of mine.

Yesterday we had an amendment which was designed to take fish out from under price control. We will probably have many others brought in today, one by one.

I disagree with my colleague, the ranking minority member of the committee, in only one respect, and that is, I think we have already started to break the line and unless we stop pretty soon we are going to break it all the way across.

I hope the amendment is voted down.

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. LARCADE].

The amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose in doing this is to call to the attention of the Committee of the Whole that there are 18 amendments on the Clerk's desk. We are still on section 2 of the bill. We have considered this bill under the 5-minute rule yesterday and today, and I am wondering if we can agree on a time limit on this section and all amendments thereto. I suggest that all debate on section 2 and all amendments thereto close, say, in 2 hours. We have to bring it to an end sometime.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. JENKINS. I appreciate what the gentleman has said, but section 2 is really the heart of the bill. I wonder if it is going to be the purpose of those in charge of the bill to finish section 2 tonight?

Mr. McCORMACK. Yes.

Mr. JENKINS. I was in hopes it might go over, because it is very evident that this bill is going into next week. There is no question but that section 2 is by far the most important part of the bill. I know that several very important amendments will be offered. Just as soon as you commence to limit the time, everybody gets more fidgety than they are now, and there we are. I wish the

gentleman would put it over until Monday.

The CHAIRMAN. Will the gentleman permit the chairman to make a statement in that connection? There are more amendments to section 2 on the Clerk's desk now than there were yesterday when the Committee rose.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. McCORMACK. I yield.

Mr. DIRKSEN. May I inquire how many amendments are pending on the desk?

The CHAIRMAN. The majority leader just stated that there were 18 amendments to section 2, and the Clerk advises the Chair that there are 18 amendments on the desk now to section 2.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. May I state that in addition to the 18 amendments to this section which are now on the desk I have quite a few that have not been sent up to the Clerk's desk. In other words, none of the amendments which my committee has proposed are now on the Clerk's desk.

Mr. McCORMACK. That means that there are more than 18 amendments, inasmuch as the gentleman from Virginia says he has quite a few more. I wonder if we could agree on 3 hours of further debate on section 2 and all amendments thereto.

Mr. SMITH of Virginia. I hope the gentleman will not press that at this time, because, if debate is so limited, certain of these amendments are going to get preferred consideration and others that may be of equal or greater importance may not have the opportunity to be heard at all. It is going to depend a good deal in that sort of a situation on whose voice is the loudest in attracting the attention of the Chair.

Mr. McCORMACK. I appreciate what the gentleman says, but I am wondering if we cannot agree on a limitation of the time for debate.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I think in all fairness we could not very well limit the debate at this time. There are 25 or 30 amendments, and most of them are important amendments. They ought to be fairly considered by the House, whatever we do about them. I do not believe anyone should be shut off.

The CHAIRMAN. Will the gentleman permit the Chair to make a suggestion in that connection? If consent could be secured to have debate on each amendment and all amendments to each amendment limited to 5 minutes for it and 5 minutes against it, instead of talking for an hour on one amendment, progress might be made.

Mr. MARTIN of Massachusetts. Some amendments might require over 10 minutes of debate to be properly placed before the House. I do think that all

speeches could be limited to 5 minutes.

Mr. McCORMACK. I will be perfectly frank in saying that I rose not for the purpose of action, but to see if we could get some kind of an idea out of this discussion.

Mr. JENKINS. If the gentleman will yield further, I think the gentleman and those in charge of the bill ought to get out of the notion of finishing this section today. This is Saturday afternoon. I live here, and I will stay here, until midnight if necessary. But this is not the last day we will be in session. This is a very important matter. There is no piece of legislation that has been before the Congress recently in which so many people are interested, unless it be the G. I. bill. We have plenty of time. We can take Monday and Tuesday if necessary. What is the hurry?

Mr. McCORMACK. It is always difficult for me to resist the persuasive influence and personality of my friend from Ohio. I recognize that what he says is correct, but the fact is that we will be going on here next Tuesday on section 2 from the looks of things unless sooner or later we agree on some limitation. I am not making any motion or submitting any unanimous-consent request at this time. I just want to call attention to the fact that we are still on section 2, that there are 18 amendments to that section on the Clerk's desk, and that the gentleman from Virginia [Mr. SMITH] has served notice that he has a number of other amendments to offer to section 2. I am sure that those debating the amendments will confine themselves to the amendments under consideration and not ask for any additional time. I hope they will not.

The CHAIRMAN. The Chair may state that amendments are being placed on the Clerk's desk much faster than they are being disposed of.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 12, line 2, add a new paragraph as follows:

"Sec. 2. Section 201 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(f) Neither the Administrator of the Office of Price Administration nor any employee thereof shall inflict or impose penalties, sanctions, or suspension orders of any kind, remedial or otherwise, not both specified by and written into the statute and expressly delegated to the Administrator or employee of such agency by lawful authority. No person, who in good faith acts upon a written interpretation of any rule, regulation, or order of the Office of Price Administration made by any official authorized by the Price Administrator, of general applicability or specifically delegated to such person, shall be subjected to any penalty or deprived of any right or privilege, unless such interpretation shall have been revoked and notice of such revocation shall have been given; in the case of an interpretation of general applicability, by specification in the Federal Register and in the case specifically directed against such person, by written notice to such person."

Mr. MONRONEY. Mr. Chairman, I make the point of order against the amendment that it is not germane to this

bill. It involves the rationing powers conferred on the O. P. A. by Executive order under authority of the Second War Powers Act, and thus is not germane to price control.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard on the point of order?

Mr. JENNINGS. Mr. Chairman, I insist that the amendment is germane because it grows right out of the abuses that have from the very beginning hampered the fair administration of this act in accordance with the letter and spirit of the act and in accordance with the intent of the Congress.

Mr. SMITH of Virginia. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Chairman, this act creates the office of Price Control Administrator and specifies his duties. The amendment offered by the gentleman from Tennessee merely places restrictions upon the activities of the Office of Price Control. We merely undertake by this amendment to say to the officer created by this very act that "there are certain things you are hereby prohibited from doing." I should not think there would be any question of the right of this House, in an act which creates an office, to say to that officer that "there are certain things you must not do." That is all the amendment offered by the gentleman from Tennessee undertakes to do.

Mr. WOLCOTT. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Michigan.

Mr. WOLCOTT. Mr. Chairman, I did not realize the amendment included such matter as it apparently does until I listened to the gentleman from Virginia. If this amendment attempts in any manner to restrict the operation of the War Powers Act or the directive under the War Powers Act designating the O. P. A. as the agency through which rationing is administered, then it is clearly subject to a point of order.

It is true that under this act the O. P. A. is set up to administer this act. However, the War Powers Act, I believe, provides that the President may designate any agency of the Government to administer the War Powers Act, and he has delegated that power to the O. P. A.

So that the two functions of the O. P. A. are clearly drawn. One is, under this act, to control prices. The other, under the War Powers Act, to regulate rationing. The two are merely administered by the one agency, although we can limit the powers of the O. P. A. in respect to price control in this act inasmuch as any limitation upon the operation or the administration of the War Powers Act is in respect of a matter wholly extraneous to the Price Control Act. Then, of course, it is not germane and is in conflict. By this amendment, if it is as the gentleman from Virginia states it to be, what we virtually do is to amend the War Powers Act by stating that the

President shall not designate the Office of Price Administration to function as the agency by which the War Powers Act shall be administered. That is in itself, of course, an amendment to the War Powers Act and the directive issued under the War Powers Act.

Mr. JENNINGS. Mr. Chairman, I would like to be heard further on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Tennessee.

Mr. JENNINGS. Nobody ever heard of the Administrator of the Office of Price Administration until this very act was passed by the Congress. This amendment goes to the powers of the Administrator and those acting under him. It simply says, and we are saying it in the words of this Congress, what he can do in the performance of his duties. We are simply saying he cannot go beyond the letter and spirit and plain meaning of this act. That is the effect of it. It is not aimed at any other act, but is limited in its language to the act which we are now undertaking to extend and which the House is now considering.

Mr. SMITH of Virginia. Mr. Chairman, may I submit one further brief observation?

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. I think this is a fair test upon which to determine this point of order: I do not think anybody would raise the question as to whether we could, by an amendment to this act, prohibit the Office of Price Administration from performing any act other than that specified in this act. No one would raise that question. If we can say in this act that the Price Administrator shall not perform any act other than that authorized by this act, why can we not also say he shall not do certain specific acts?

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Tennessee [Mr. JENNINGS] offers an amendment, to which the gentleman from Oklahoma [Mr. MONRONEY] makes a point of order on the ground that it is not germane to the pending bill for the reasons stated by him. Although the amendment is of some length, the Chair has examined it with sufficient care, and it appears to the Chair that the pending amendment is an amendment to the Emergency Price Control Act of 1942, and relates to the powers of the Administrator under that act, especially with respect to the imposition of penalties, and so forth. It will be remembered that the pending bill provides for amendment to the Emergency Price Control Act of 1942 and contains provisions relating to the Administrator of that act and imposes certain limitations and restrictions on the Administrator. The Chair is of the opinion that the pending amendment also seeks to impose certain restrictions and limitations on the Administrator of the Emergency Price Control Act of 1942. There-

fore, the Chair overrules the point of order.

[Mr. JENNINGS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. McCORMACK. Mr. Chairman, we all have an affection for our friend from Tennessee [Mr. JENNINGS]. He has a personality which is refreshing at all times whether it is when addressing us on this floor or when we pass him in the corridor. I am always glad to see him because I always leave feeling better when I meet him, or after he has spoken to us on the floor of the House. I am afraid if a few words of attempted reason were not made after he had spoken, his captivating personality would be such that we might unconsciously, by way of reaction and in good faith, adopt an amendment which would defeat the very purposes of the bill.

Let us pause for a moment and see what his very frank—not subtle, because there is nothing subtle about the gentleman from Tennessee—amendment does. He is refreshingly frank and intellectually honest at all times, and particularly on this occasion. But let us see what his amendment provides:

Neither the Administrator of the O. P. A. nor any employee thereof shall inflict or impose penalties, sanctions, or suspension orders of any kind, remedial or otherwise, not both specified by and written into the statute and expressly delegated to the Administrator or employee of such agency by lawful authority.

Well, that means that the Congress of the United States must legislate every rule and regulation. You and I know that just cannot be done. With all due respect to my friend from Tennessee I doubt if he intends to impose that impossible burden upon the Congress, because it is impossible for us to legislate on every little detail that might arise in connection with the administration of any agency. If this amendment is adopted, the sum and substance of it would be that we would pass the Price Control Act, continue the Stabilization Act, but that any further action by the Office of Price Administration is dependent upon the Congress further legislating, and the Congress further legislating for every slight detail in connection with the operation of this law.

Mr. BARRY. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BARRY. Would not the result be that we would pass a law and then make ourselves administrators of that law?

Mr. McCORMACK. That is the sum and substance of it. I rose to call the attention of the House to the significance of the amendment, for fear that all of us, like I was for a few seconds, might be influenced by the magnetic personality of the gentleman from Tennessee, and that unconsciously we might, in an emotional period, adopt his amendment.

Mr. JENNINGS. Will the gentleman yield for a moment?

Mr. McCORMACK. I had finished.

Mr. JENNINGS. I just cannot let you get by without pinning a rose on the

lapel of your coat. We have resolved ourselves into a mutual admiration society.

Mr. McCORMACK. I yield if I have any time remaining.

Mr. JENNINGS. What I wanted to observe is that my amendment does not—

Mr. McCORMACK. Is the gentleman going to give me a rose?

Mr. JENNINGS. Yes. It is a mental rose. Do you not realize that my amendment simply says this, that the Administrator and those under him shall not go beyond the powers conferred by the act; that they shall quit usurping power, quit tormenting and harassing the people.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. BALDWIN of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I did not ask for time to speak on this bill during general debate. I listened to the debate and listened to a great many of the hearings, and I have listened to the arguments in favor of many of the amendments offered here. I can quite agree with the gentleman from Tennessee [Mr. JENNINGS] about the administration of the O. P. A. law. I know as well as every Member of this House that mistakes have been made, but we, as Members of this Congress, must not forget that we are not passing a law that is to be permanently fixed on the people of this country. We are passing an emergency control law that is designed to stop inflation during this war emergency. The committee adopted that amendment that restricted the extension to 1 year. Certainly if I am a Member of this House when 'his war emergency is over, I will vote to eliminate such regulations and regimentation as this law provides now during the war emergency. But, here we are, a free people, not used to regulation and regimentation, finding ourselves a short time ago, because of some mistakes we made, in danger of losing our liberties; totally unprepared. A people unprepared to accept regulation even in wartime.

I have received just as many complaints as any Member of this Congress as to the administration of the Price Control Act. But I say to you in all seriousness, regardless of the privations, regardless of the nuisance that it imposes on industry and our individual lives, we have come a long way in this war effort.

We see our armies today invading Europe and entering on the last stage, we hope, in this global war. We are here trying to administer our affairs from a domestic sense. Oh, yes; a great many of those soldiers who have crossed the English Channel and climbed up the French shores have probably criticized their generals and their superior officers. Their life has not been easy. Their regulations, their privations, and suffering have not been easy. They are going in without saying a word of complaint.

I say to the people at home, and I say as a Member of this Congress, we are on the road to victory. Let us not do something to the Price Control Act to emasculate it in such a way that we will

prevent or impede that war effort. It is only for a short time. I, for one, as I said a moment ago, will raise my voice in protest against extending the provisions of this act beyond the emergency period when the war is over. I am against regimentation just as much as any man in this House, but I say to prosecute this war the people of this country have got to realize they have to accept obligations, accept some measure of regimentation and regulation, in order that we may win this war. If it means the saving of the lives of our soldiers by the shortening of the war, if it means stopping inflation, then I am willing to accept my share of this responsibility and of that regulation during this war emergency.

I hope this Congress will not accept amendments that will defeat the purpose of this bill even though you admit and I admit it has not been administered perfectly, and the O. P. A. officials have tramped on the toes of my constituents just as much as they have those of any Member in this House. This is an emergency, Mr. Chairman, and it is necessary to prosecute this war. For God's sake, let not this Congress emasculate O. P. A. and make it a useless, worthless law.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. BARRY. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. BARRY. Mr. Chairman, I wish to point out to the Committee one amendment in this bill which I think has a very important bearing on the amendment proposed by the gentleman from Tennessee. Heretofore and in existing law if a rule or regulation was issued and no protest made within 60 days that rule or regulation could not be challenged thereafter and had the same force and effect as the basic law. We have now taken that provision out so that when a rule or regulation is issued it may be challenged at any time on grounds of illegality or unconstitutionality.

We have also provided that if a protest is pending in O. P. A. and O. P. A. fails to act within a reasonable time the protestant may petition the Emergency Court of Appeals and this court if the time is unreasonable may compel O. P. A. to make a determination.

Judge Norris, chief justice of the Emergency Court of Appeals, testified before our committee and from his testimony it appeared that even before we amended the law as it is amended in the present act there were two occasions on which O. P. A. delayed unnecessarily in reaching a decision. The protestant asked for a writ of mandamus and the judge testified that the court was about to issue the writ when O. P. A. finally reached its decision. So I say to the gentleman from Tennessee that these amendments put the citizen in the position of being able to challenge an illegal regulation at any time. I think this is one of the most important amendments we have put in this bill, because I do not believe any rule or regulation issued by

an agency of government should have more force and effect or be less susceptible to attack than the basic law setting up the agency.

I therefore ask the Committee in view of these amendments to reject the amendment offered by the gentleman from Tennessee.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HINSHAW. Mr. Chairman, I seek recognition on the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. HINSHAW. Mr. Chairman, I am sure the gentleman from Tennessee was referring to such items as this which I hold in my hand when he offered his amendment. This is the "Cut-up poultry at retail" bulletin issued by O. P. A. As my friend from Tennessee referred a moment ago to an egg-headed young man, I think it is quite appropriate. I will not read this whole bulletin, but I am sure you will be interested and amused by a portion of it. Under the definition of "cut-up poultry" it states:

Amendment 25 to RMPR 269 defines cut-up poultry, as follows:

And it goes on. I will just quote one item, No. 2:

The legs must be disjointed and removed at the hock joint and at the hip joint and must contain the complete thigh, all thigh meat, and the oyster, but shall not contain the ilium or the ischium bones or any part thereof.

On the other side of this sheet they talk about poultry which is not cut up. I wish you would listen to this one:

If you buy any live, dressed, or drawn poultry and you sell it in parts (other than split or in quarters) which is not "cut-up poultry" under the definition mentioned above, you figure your net cost for each part as if you had bought that part from a seller pricing under RMPR 269. To this net cost you apply the mark-up for poultry bought cut up and sold cut up (21 percent for groups 1 and 2 stores; 20 percent for groups 3 and 4 stores).

Then follows:

Revised definition of frozen poultry.

I ask you, Mr. Chairman, to listen to this revised definition of frozen poultry:

In order to sell frozen eviscerated poultry as frozen poultry you will no longer have to keep it in hard-frozen condition. This means that you are now able to sell frozen eviscerated poultry as frozen poultry even though it is not in the hard-frozen state at the time of sale, provided the poultry is delivered to the customer in the original package. "The original package" means the package in which it was packed at the time of evisceration.

I have a lot of poultry people in my district, Mr. Chairman, and I want to tell you there are few of them who have sufficient education in the medical field or the zoological field to know what the ilium and the ischium bones are, or any parts thereof; neither is he quite sure whether frozen poultry is frozen or not frozen when it is not hard frozen. If anybody can answer those questions for my people, I shall be much obliged.

Mr. McCORMACK. Mr. Chairman, I shall not undertake to answer those ques-

tions; I could not. But let me ask the gentleman from California this question: Does he think that Congress can legislate every rule and regulation necessary for any agency to issue in carrying out an organic act? I will assume that everything the gentleman there says is correct and I am not discussing that particular matter my friend has referred to because I cannot, I have not the knowledge along that line; but does the gentleman believe that Congress can legislate every rule and regulation an agency should issue?

Mr. HINSHAW. No; and I do not think the Office of Price Administration can either. I think they have got to give the people some leeway and a chance to do business in the way in which they are accustomed to doing business and have been for lo, these many years, and to put these things out in simple language in a way the common man can understand whether he is violating the law or not and what the law is in the first place.

Mr. McCORMACK. If this amendment is adopted it means of course that a bill once passed by Congress does not become operative until Congress again legislates. Does my friend realize that?

Mr. HINSHAW. I realize that; I am not going to argue with the gentleman on that. All I want to say to the gentleman from Massachusetts is that the Office of Price Administration could be a little more clear in what they have to say and a little less meticulously detailed, perhaps leaving a few things to the imagination and ingenuity of our people.

Mr. McCORMACK. I cannot take issue with my friend from California because I have some views of my own; but my opposition to the amendment of our charming and gracious friend from Tennessee is based on the ground that if the amendment be adopted, after we pass the law Congress would have to legislate again on the same subject.

Mr. HINSHAW. I appreciate the viewpoint of the gentleman from Massachusetts, and I hope no more silly things like this will be issued to common people who are liable to fine and imprisonment if they put any portion of the illium or ischium on the leg piece of a cut-up chicken.

Following is the O. P. A. Trade Bulletin on Cut-up Poultry at Retail to which I have referred:

O. P. A. TRADE BULLETIN

(Maximum Price Regulation No. 422, Amendment No. 12, and Maximum Price Regulation No. 423, Amendment No. 13, effective April 6, 1944. United States of America. Office of Price Administration, Washington)

CUT-UP POULTRY AT RETAIL

This trade bulletin is meant to help you understand and comply with Amendment 12 to MPR 422 and Amendment 13 to MPR 423. It covers only the main points of these amendments and does not take their place. You can get a copy of the amendments from your nearest O. P. A. district office. The O. P. A. district office will also be able to help you if you have any questions.

Persons covered

These amendments affect all retailers who buy poultry live, dressed, or drawn, or cut up, and sell it in parts and all retailers who sell frozen, eviscerated poultry.

Definition of cut-up poultry

Amendment 25 to RMPR 269 defines "cut-up poultry" as follows:

"Drawn grade A broilers and fryers, not exceeding 2½ pounds in drawn weight, from which the oil sac, kidneys, and lungs have been removed before weighing for sale and the carcass of which has been dismembered or cut into portions in accordance with the following requirements:

"1. The wings of each poultry item must be disjointed and removed at the socket joint adjoining the breast and must contain all the wing meat.

"2. The legs must be disjointed and removed at the hock joint and at the hip joint and must contain the complete thigh, all thigh meat, and the oyster, but shall not contain the illium or the ischium bones or any part thereof.

"3. The breast must be removed from the back by cutting alongside the exterior of the oyster socket (illium) and through the ribs at the point the ribs connect with the spinal vertebrae. No part of the wings, legs, back, and neck bones, skin or meat, or the gizzard, heart, or any other portion not breast may be sold as breast.

"4. The back must contain the neck, vertebrae, backbone, oyster socket (illium), the ischium, and the meat, skin, and bones of these parts."

Pricing cut-up poultry

If you buy poultry live, dressed, or drawn or cut-up and sell it cut-up (see definition of cut-up), you figure your ceiling price for each item as though you had bought it "cut-up":

1. Take your net cost per pound. Net cost is the lowest ceiling price per pound fixed by RMPR 269 applying to sales to you by your customary type of supplier delivered to your usual receiving point.

(a) The following table shows maximum base prices for specific portions of cut-up poultry as established in MPR 269, Amendment 25:

Prices in cents per pound

Portions of "cut-up poultry"	Eastern zone basing-point city		Western zone basing-point cities	
	Chicago	New York	Pacific Coast—Los Angeles, San Francisco, Seattle, and Portland	
Wings.....	28.9	29.9	30.4	
Legs.....	60.6	61.6	62.1	
Breast.....	60.6	61.6	62.1	
Back, neck, or skin....	13.1	14.1	14.6	
Liver.....	68.1	69.1	69.6	
Gizzard or heart.....	128.9	129.9	130.4	

¹ If the gizzard is not cleaned by removing the contents and lining, the maximum base price shall be ¼ of the maximum base price for gizzards as established by this table.

(b) To the correct price in this table you add the transportation allowed your customary type of supplier and, if allowed, delivery costs, for delivery to your usual receiving point. The transportation and, if allowed, delivery charges you select for your computation should be those which would apply during the week in which you are figuring your ceiling price.

Your wholesaler can tell you his allowed transportation and delivery charges if they are not itemized on his invoices.

Price in table plus allowed charges equals net cost.

2. To this net cost you apply the mark-up shown below which applies to your business:

If you are a group 1 or group 2 retailer, multiply your net cost by 1.21.

If you are a group 3 or group 4 retailer, your mark-up is 20 percent.

3. The result is your ceiling price per pound for that item of cut-up poultry.

EXAMPLE

A group 1 or group 2 retailer purchases a grade A broiler or fryer weighing 3.8 pounds live, 3.3 pounds dressed, or two and a half pounds drawn.

In this example, the retailer uses New York as his basing-point city, and he is allowed a wholesale mark-up of 1.5 cents and a delivery charge of 0.25 cent per pound.

Step 1:	Cents
Wholesaler's base price for wings (see table).....	29.9
Add wholesale mark-up.....	1.5
Add delivery charge.....	.25

Total (retailer's net cost)..... 31.65

Step 2: Use table C of the regulation to find the ceiling price for an item costing 31½ cents and a mark-up of 21 percent (38 cents per pound for wings).

The retailer's ceiling price is 38 cents per pound.

POULTRY WHICH IS NOT "CUT-UP"

If you buy any live, dressed, or drawn poultry and you sell it in parts (other than split or in quarters) which is not "cut-up poultry" under the definition mentioned above, you figure your net cost for each part as if you had bought that part from a seller pricing under RMPR 269. To this net cost, you apply the mark-up for poultry bought cut-up and sold cut-up (21 percent for group 1 and 2 stores; 20 percent for group 3 and 4 stores).

REVISED DEFINITION OF FROZEN POULTRY

In order to sell frozen eviscerated poultry as frozen poultry you no longer will have to keep it in hard-frozen condition. This means that you are now able to sell frozen eviscerated poultry as frozen poultry even though it is not in the hard-frozen state at the time of sale, provided the poultry is delivered to the customer in the original package. "The original package" means the package in which it was packed at the time of evisceration.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOFFMAN. Mr. Chairman, I seek recognition on the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

(Mr. HOFFMAN asked and was given permission to revise and extend his own remarks.)

Mr. HOFFMAN. Mr. Chairman, I agree with the gentleman from Massachusetts [Mr. McCORMACK] that we cannot write rules and regulations for the Administrator; but the gentleman cannot brush aside the soundness of the argument, even though he did at one time kiss the Blarney stone, by paying compliments to the gentleman from Tennessee [Mr. JENNINGS]. It is no answer to the argument that this amendment should be adopted when the gentleman from New York [Mr. BARRY]—

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I have only 5 minutes; I cannot yield unless the gentleman can get me more time.

The gentleman from New York [Mr. BARRY] opposing the amendments, attempted to show that the bill reported by the committee takes care of the evil which the Jennings amendment would cure.

The answer to that argument is that, while the committee bill provides for the filing of a protest, for a board of review, for an appeal to the Emergency Court of Appeals, it does not provide for a judicial review of any order or directive issued by the Administrator until judgment has been rendered.

The committee bill does provide for a protest to the Administrator prior to judgment and for an appeal to the court if the Administrator does not act within a reasonable time.

Amendments proposed by the Smith committee and which will subsequently be offered provide for a definite time limit within which the Administrator must act upon a protest, and it also gives the aggrieved citizen an opportunity to obtain review in a United States district court, and a protestant is given an opportunity, by those proposed amendments, to plead the illegality of any rule, order, or regulation which he is charged with having violated, before he has been tried and convicted, the issue being raised by a preliminary plea.

None of the provisions to which the gentleman from New York referred afford the remedy sought to be given by the Jennings amendment.

What does this amendment do? One of my colleagues on the left said a moment ago he did not know what it was all about. It is very simple. If you will look on page 24 of the pamphlet that has been on the desk there for three days, you will find the substance of the amendment.

There are three things in it. It provides, first, that the Administrator shall not impose a penalty—unless what? Unless the authority has been given to him by the Congress, unless that authority has been expressly delegated to him. There is not anything wrong about that, is there? Is there any reason why we should turn an administrator loose to impose penalties and sanctions upon our people any more than we should turn a bull loose in a china shop? I cannot see any difference. One smashes the china the other breaks up businesses.

What is the next thing? When in a particular case some one in authority in O. P. A. has given an interpretation of a regulation, and the citizen has gone along, complied with it, and then later some other official in the O. P. A. with equal or superior authority places a different interpretation upon that particular regulation, the citizen who relied on interpreter A should not be penalized because interpreter B said that A was wrong. That has happened. There was an illustration given before the committee of one case, and there are many other cases where citizens relying upon the O. P. A. interpretations have later been hauled into court and sued because of compliance with the first one.

The third provision is that no penal-

ties or sanctions which are of general application throughout the country shall be imposed upon anyone until they have been published in the Federal Register. Anything wrong with that? Anything unfair about that? Should not a citizen have opportunity to know the law which has been enacted, the rule which has been made?

Let me take you back a few years to the case of a citizen of Texas. He was haled before the court; he was convicted in the United States district court of a criminal offense. He took an appeal to the circuit court of appeals and his conviction was sustained. Not until the case came to the United States Supreme Court and fell into the hands of Chief Justice Hughes was it learned that there was no such law on the books. He was tried and convicted of a violation of a Federal law which never existed. The case was reversed.

All the gentleman from Tennessee is asking in this case is this: First, that no penalty be imposed upon any citizen until power has been clearly delegated to the Administrator; second, that if a citizen relies upon the interpretation of the department and that interpretation is subsequently reversed, he shall not be subject to court action, to a penalty because he followed, obeyed the first opinion, and, third, if the O. P. A. puts out or promulgates a general application, an application applying to everyone, you cannot prosecute until it has been published. That is fair. While ignorance of the law is no excuse for a violation of a statute, lack of opportunity to know the law due to the fact that the law, the statute, the rule, order, or directive was never published should be a bar, otherwise the liberty of the citizen is taken from him.

We all know that the people have been unduly oppressed by the administration of the O. P. A. Although many of these proposed amendments do not have back of them the organized lobby support and the organized protest from our home folks which put through by such an overwhelming majority the Hartley amendment, an equal number of justifiable protests have been received by many of us during the past months. They have been filed away in our offices and no doubt many of them have been forgotten. But those who sent them on were grievously injured and their memories are long.

To meet the argument advanced in opposition to every proposed amendment to the committee bill—that the bill itself is complete, perfect, and cures all administrative faults, I am printing in parallel columns a few of the amendments which may be offered on Monday and corresponding provisions of the committee bill.

It is my hope that the Members, over Sunday will read both the committee bill and the proposed amendments and will give particular attention to the provisions for court review, for the protests against the kangaroo courts have been many and the opposition to them is deep-seated.

Committee bill,
H. R. 4941, pages
13-14:

"PROCEDURE

"SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice."

H. R. 4941, page 14:

"(b) In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202."

Amendments to be proposed:

"PROCEDURE

"SEC. 303. (a) After the issuance of any regulation, order, or price schedule, whether issued prior or subsequent to the effective date of this act, any person subject to any provision of such regulation, order, or price schedule may, at any time, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of or in opposition to any such regulation, order, or price schedule shall be received and incorporated in the transcript of the proceedings at such time and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this act, but in no event more than 60 days after such filing (in the case of highly perishable commodities, such as fruits and vegetables, 10 days), unless by written stipulation the protestant consents to an extension of time, the Administrator shall either grant or deny such protest in whole or in part. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice."

"(c) In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 302, but all such economic data and other facts of which the Administrator takes official notice shall be made available to the protes-

Committee bill,
H. R. 4941—Con.

Amendments to be
proposed—Con.

tant, and he shall be given the right to question the officials compiling same as to their source, and he shall also be given the opportunity to show their incorrectness."

H. R. 4941, page 14-15:

"(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the broad such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection."

H. R. 4941, pages 15-16:

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in dis-

"(d) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs, except that, where written request for oral hearing is made, such request shall be granted."

Committee bill,
H. R. 4941—Con.

posing of his protest may petition the Emergency Court of Appeals, created pursuant to section 240, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

H. R. 4941, page 16-17:

"REVIEW

"SEC. 6. Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) At any time prior to or within five days after judgment in any proceeding brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the

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any provision of such regulation or order may file a petition for an adjustment of the order, regulation, or price schedule as provided in section 2 (b) and section 201 of this act. Within a reasonable time, in no event more than 60 days after the filing of such petition, the Administrator shall grant or deny such petition, in whole or in part, and shall take the appropriate action required by his decision on such request. The provisions of any regulation or order may be suspended, in whole or in part, and any other modification made, to effectuate any individual relief as the Administrator deems equitable. If any request is denied, in whole or in part, the reasons for the denial and supporting facts shall be stated in writing and a copy thereof furnished the person seeking relief. The filing of such petition and the denial thereof, in whole or in part, shall not be a bar to any protest subsequently filed with respect to the same regulation or order as to which such petition was filed. Any petitioner aggrieved by the denial or partial denial of his petition for adjustment shall have the same right of judicial review as provided in section 304 (a) in the case of protest."

"REVIEW

"SEC. 304. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c) or in the United States district court for the district in which the protestant resides or conducts his business or in the United States District Court for the District of Columbia, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such com-

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Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection."

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plaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided,* That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereof; except that on request by the Administra-

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Committee bill,
H. R. 4149—Con.

Amendments to be
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Committee bill,
H. R. 4941—Con.

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H. R. 4941, pages
17-18:

"(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order or price schedule, the court shall stay the proceedings—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provisions;

"(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

"Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph may issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of the provision of the regulation, order, or price schedule involved. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending

"(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with the law, or is arbitrary or capricious. In the event that the person aggrieved by the denial or partial denial of his protest elects to file a complaint in a district court, then the effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of 30 days from the entry thereof, except that if the judgment is appealed within such 30 days to the Emergency Court of Appeals, the effectiveness of such judgment shall be postponed until an order of the Emergency Court of Appeals disposing of the appeal becomes final, and no judgment of the Emergency Court of Appeals rendered in a suit under this section or under section 305 enjoining or setting aside in whole or in part any regulation, order, or price schedule shall become final or effective until the expiration of 30 days from its entry except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court."

in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205."

"(c) There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act and shall exercise appellate jurisdiction to review decisions of district courts made under authority of subsection (b) of this section, and section 305 (g) of this act; except that neither court shall have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2, section 201, or any price schedule effective in accordance with the provisions of section 307. The court shall exercise its powers and prescribe rules governing its pro-

cedure in such manner as to expedite the determination of cases of which it has jurisdiction under this act. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

"(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 347). The United States district courts, the Emergency Court of Appeals, and the Supreme Court shall advance on their respective dockets and expedite the disposition of all causes filed therein pursuant to this section."

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 25 minutes, 5 minutes to be reserved to the committee for closing.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I shall not take the 5 minutes allotted to me. I want to call the attention of the Members of the House to the fact that two very distinguished Americans will, over the Columbia network at 6:15 this evening, discuss the issues of the forthcoming campaign of Governor Bricker, of Ohio, and Governor Broughton, of North Carolina. I am sure all of you will do well to listen to this discussion.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I take this time because there seems to be such an utter misunderstanding of what the pending amendment is all about. My good friend from Massachusetts I am sure must have read some other amendment that was handed him because he says that this amendment would cause the Congress to have to write regulations and administer the law. There is nothing of the kind in the pending amendment; as a matter of fact that does not touch it within 40 miles.

Here is what the amendment does: It merely prohibits the Administrator from imposing penalties. What it means in plain terms is this: We cut out the kangaroo court system of the Office of Price Administration. When the Congress enacted the first O. P. A. law we wrote into it, and you will find it there today, specific enforcement provisions. We said how the Congress thought this act ought to be enforced and we provided that it could be enforced by injunction, it could be enforced by criminal penalties, it could be enforced by triple damages, and it could further be enforced by court proceedings to revoke the license of the person to do business.

Did the O. P. A. Administrator follow the law that you laid down? Did the O. P. A. Administrator undertake to impose the penalties that the Congress said he must impose? No. The O. P. A. Administrator immediately set up a system of courts. If a person is charged with violating the law, he is haled into the O. P. A.'s own court presided over by a hearing administrator. This hearing administrator sits as the judge. An attorney for the O. P. A. prosecutes your constituent and another gentleman of the O. P. A. is a witness against your constituent. How much show your constituent has under those circumstances I leave to you.

Mr. Chairman, the question involved is purely and simply this: The Members on both sides of the aisle have talked a lot around here about these kangaroo courts and about a person being denied the privilege of going into the regular courts of the land. All this does is to give you the opportunity to say to the Administrator: "We want you to do what the Congress told you to do: Enforce this law through the penalties that the Congress has specifically prescribed," and we say furthermore, "You must not set up any kangaroo courts of your own, haul our citizens before these courts, try them, prosecute them, and convict them with the machinery of the O. P. A. alone and without resort to the duly constituted courts of the land."

That is the thing we have all been talking about for some time, and this is the opportunity to turn thumbs down on it if you do not want it, and if you do want it, it is all right by me.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman knows that for a long time I have complained about the invention of remedies by administrative agencies. On the other hand, with respect to this amendment, it has been suggested to me that if it is adopted it will prohibit, in effect, the O. P. A. from carrying on the work of rationing.

Is that the gentleman's understanding of the effect of the amendment?

Mr. SMITH of Virginia. Certainly not.

Mr. HALLECK. I read the report and I discovered reference is made to the source of power of the O. P. A.

Mr. SMITH of Virginia. I think I can best reply to the gentleman by saying that these amendments were discussed in detail with the O. P. A. Administrator and counsel for the O. P. A., and while they objected to every one of the amendments, I never heard that question raised.

Mr. HALLECK. What particular remedies or penalties have been invented or exercised or used that are outside the authority of the Price Control Act?

Mr. SMITH of Virginia. They set up the kangaroo court where they hail a man in if he sold too much gasoline last week, and then they try him in their own court.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the responsibility for having so many amendments before the House today rests squarely upon the O. P. A. The Office of Price Administration has refused, even where they could, to adhere to the time-honored principles of American procedure and fair dealing.

I would like to tell you about a case that occurred in my district. There was a filling-station operator who was charged with certain violations of the rationing regulations. It may have been that this individual was technically guilty. I am satisfied that he was not guilty of intentionally violating the law or the regulations. Here is what happened. He was summoned to an O. P. A. kangaroo court outside of his own county. He appeared there and told them his story in a forthright manner. The penalty imposed was that his place of business was to be closed for 10 days. Rather than cause trouble or have an expensive litigation, he went home and closed his business for 10 days. He thought he had complied. Some time later he received a notice by registered mail that said, "The Government has appealed your case." I have a copy of that notice in my office. That notice did not say before whom it was appealed. It did not say when the appeal would be heard; it did not say where. He had no idea in what city or State his appeal would be heard, before whom or when.

Some time later he got a notice from the city of Washington, from another official in the O. P. A. that no one had ever heard of, stating that they had raised his penalty from 10 days to 30 days, after he had already complied with the sentence and closed his business for

10 days. Do you think the individuals who concocted such a procedure cared anything about national unity? Do you think the individuals who concocted that procedure cared anything about the rights of individuals? Today they come in here and hide behind the flag and our soldiers when we want to correct something like that. Is it asking too much to expect regulatory bodies to abide by the law? It is not a question of asking that the Congress make every rule or regulation, but they should only impose penalties when authorized by law and in the manner prescribed by law.

Common sense and orderly procedure is needed in administering the Price Control Act. We do not have that now.

(Mr. CURTIS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, it is very apparent that the amendment offered by the gentleman from Tennessee is not the amendment suggested by the so-called Smith committee on page 24 of their report, section 401.

I agree wholeheartedly with many of the things which the gentleman from Virginia has said with respect to that amendment, but unfortunately what he said with respect to these kangaroo courts does not apply to the amendment offered by the gentleman from Tennessee. In that respect there is no affiliation whatsoever between section 401 of the Smith bill and the amendment offered by the gentleman from Tennessee.

Let us read the first sentence of the amendment:

Neither the Administrator of the Office of Price Administration nor any employee thereof—

That does not mean any employee of the United States Government. It is confined to the Administrator and employees within the Office of Price Administration—

shall inflict or impose penalties, sanctions, suspension orders of any kind, remedial or otherwise, not both specified by and written into the statute and expressly delegated to the Administrator or employee of such agency by lawful authority.

Of course, they cannot violate the law. The gentleman from Tennessee said that all this does is to prevent him, the Administrator, from doing something he is not authorized to do; something which goes beyond the purview of his powers. What if he goes beyond the purview of his powers, and what if he does something that he has no legal right to do? We have already taken care of that situation in the committee bill by providing that the aggrieved person may come into court and test the validity of the action. I quite agree with the gentleman from Tennessee that if he had been speaking on the bill before it had been amended by the Committee on Banking and Currency, that everything he had to say—not everything, but the greater part of what he had to say—would be true. But we have already taken into consideration some of those abuses and have made it

possible for those people to come into court.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman has just stated that the amendment which I offered is salutary. But we are dealing with a bunch of bureaucrats and with the courts who say, and have said from the Supreme Bench of this country, that even though the Congress expresses itself in simple, clear language, it by no means follows that Congress meant what it said, and if Congress meant what it said, that is just a case of oversimplification.

Mr. WOLCOTT. But here you are dealing with an individual, the Administrator, and an employee of O. P. A. You are not dealing with the courts. We set up the courts to review the decision.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I cannot yield further, I am sorry.

Mr. JENNINGS. I want to hit him squarely between the eyes.

Mr. WOLCOTT. Let me say to the Committee that we had this matter fully before us, and we had this situation of assumed power before us. The gentleman is talking about rationing. We are talking about prices in this bill.

I cannot find from a study of the record, and I do not think the gentleman or anybody else can find from a study of the record—if they want to be fair about this and not legislate because of pique or otherwise—that the Administrator of the Price Control Act has ever assumed or exercised any authority over price regulations that was not given to him by the act; in other words, he has not closed the doors of business under this act. He has closed the doors of business under the War Powers Act. He has not fined anybody under this act, but he has settled suits for damages out of court.

Let us not legislate by pique, let us clear up this situation while we have the opportunity. In the House bill we have corrected all of those abuses by giving the person his day in court. That is what you want and that is about as far as you can go without emasculating price control.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I believe the House is a bit confused on the so-called kangaroo courts that Judge SMITH talked about. These courts are being held by the O. P. A. acting for the rationing program, which is not considered in this price-control bill at all.

If he was working on a price limitation, these courts that he was talking about could not exist, because this bill gives everybody who is up for revocation of a license his day in his local district court.

The rationing comes to authority through the W. P. B. and through the O. P. A. under the Second War Powers Act, which was a bill from the Committee on the Judiciary. It does not spell out the methods and means for enforce-

ment of rationing. So this rationing power is delegated from the President to the O. P. A. to carry on separate and apart and distinct from their price-control activities. Rationing involves a great deal more urgency than price control, if that is possible to be believed, because a manufacturer who is using a vital war material such as aluminum might choose to divert that material into a luxury line. Do you want to deprive the W. P. B. and the O. P. A. in the administration of rationing from moving in and stopping him from using such material unlawfully?

Adopt this amendment and that is exactly what you will do. You will restrict the power of O. P. A. to act in these cases of emergency, and you will mess up the rationing program so you will have no effective way of handling it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. May I ask the gentleman if the O. P. A. and the kangaroo courts are given any more arbitrary power over commerce in this country than we have given the Army and the Navy and the commanders thereof over the lives of the boys of this country?

Mr. MONRONEY. I thank the gentleman for his contribution.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. BARRY. Under this amendment the C. P. A. cannot enforce any rule or regulation unless it is specifically written into the law by Congress, which means that the thousands of rules and regulations would have to go back to this body every time they were issued before they could be enforceable.

Mr. MONRONEY. And all amendments to them would have to come back here, which makes the act completely unenforceable. This goes beyond the scope of what the author dreamed, and I ask the Committee to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. JENNINGS].

The question was taken; and on a division (demanded by Mr. JENNINGS) there were—ayes 43, noes 76.

So the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 3, line 5, after the colon insert the following: "Provided further, That when the Administrator establishes a wholesale price on any commodity or article to be sold at retail all retail distributors shall have the full benefit of the lowest wholesale price so established."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, this is a very simple and understandable amendment. To give the committee the full benefit of its implications, I want to read it again:

Provided further, That when the Administrator establishes a wholesale price on any commodity or article to be sold at retail, all

retail distributors shall have the full benefit of the lowest wholesale price so established.

In other words, every man engaged in the retail business will have the benefit of the wholesale price established by the Office of Price Administration. At the present time there are three or four classifications of retail stores. The No. 1 stores are those who do business up to \$50,000 a year, that is, the small stores. The small dealer has the highest wholesale price and the highest retail price.

Then there is a second group of stores doing an annual business of between \$50,000 and \$250,000 a year. They have a still lower wholesale price and a still lower retail price.

Then there are the No. 3 stores, the chain stores, and possibly some of the large chain department stores, that have a still lower wholesale price and a still lower retail price than the No. 1 or 2 stores.

What my amendment seeks to do is to place all of these retail businesses, whether they are big or little, on a par with reference to wholesale price. At the present time the O. P. A. advertises the large places of business, the No. 3 stores, as having a lower retail price than the No. 1 stores, and they are really urging the public to patronize them as against the small retail dealers.

There are a good many hundred thousand small retail dealers in this country who would have the benefit of this amendment. I think we are interested in them, and I believe we should adopt this amendment so as to eliminate this unfair discrimination against the men in small business who are carrying the strain and doing their bit in our economic structure and also in a patriotic effort to win the war. This will permit them to continue in business and to enjoy the same type of business the larger chain stores and larger retail stores have by having the benefit of the lowest wholesale price.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. JUDD. May I inquire of the gentleman whether the small store's retail ceiling would be reduced by an amount comparable to the lower wholesale price at which it was able to purchase, or would it get a larger margin?

Mr. AUGUST H. ANDRESEN. That would be up to the Office of Price Administration. I am satisfied that that would be the result. What I object to is that this Government of ours advertises the larger stores as against the small stores and drives business away from these thousands of small businessmen who are, I believe, the backbone of our country.

We have all had our experiences with the O. P. A., we have all had a good many things to say about the way the O. P. A. is carried on, and this is one opportunity we have to correct a discrimination against the many retail merchants which prevails today as the result of an O. P. A. regulation.

There is very little to explain about the amendment as I think it speaks for

itself. I hope it will be adopted. Those who give lip service to the plight of the small businessman, now have an opportunity to do something helpful and constructive for him by voting for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 43, noes 54.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. RIVERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIVERS: On page 12, between lines 2 and 3 after the word "agency", insert a new paragraph to be known as paragraph (L) as follows:

"L. Before any maximum price ceiling is established or lowered, on any agricultural commodity, the Administrator of the Office of Price Administration, or such Federal agency as he may direct, shall give to the growers of the said agricultural commodities fifteen (15) days' notice, by newspaper or otherwise, prior to the normal planting season in the areas affected."

Mr. RIVERS. Mr. Chairman, this amendment is designed to do one thing, to say to the Director of the Office of Price Administration that before he establishes a ceiling or lowers an existing ceiling on any agricultural commodity he shall let the growers know before they put their seeds in the ground. Now you might say, "Well, that is controlled by the law of supply and demand." But we do not have any supply and demand, because we have put our entire economy by special act of Congress in the Office of Price Administration. We have the unfortunate spectacle, time and time again, of growers of agricultural commodities planting their commodities under the impression that a ceiling will exist and obtain on their product. In the midst of their harvest they find a ceiling being placed on them which they cannot come out on and they are virtually liquidated and run out of business. All this amendment says to the Office of Price Administration is to let the farmers know what you are going to do before they put their whole fortune into the ground and have to contend with the seasons and the rain and the drought, before you put a ceiling on them.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I am glad to yield.

Mr. DICKSTEIN. What time would you allow? How could it be adjusted and how much notice would you want under your amendment?

Mr. RIVERS. Fifteen days before they put their seeds into the ground. I understand the chairman of the committee the gentleman from Kentucky [Mr. SPENCE] has no objection to this amendment.

Mr. SPENCE. Mr. Chairman, I could not agree to it because I do not know the effect of the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I am glad to yield if I can get some more time later.

Mr. McCORMACK. I notice the amendment of the gentleman says "before any maximum price ceiling is established or is lowered on any agricultural commodity, the Administrator shall," and so forth. Suppose the price ceiling is increased? Why should not 50 days apply in the case of an increase?

Mr. RIVERS. That is what I am trying to explain. The farmers should have notice to let them know what is in the mind of the O. P. A.

Mr. McCORMACK. The amendment says where it is lowered where a price ceiling is established they should get 15 days' notice.

Mr. RIVERS. That is right.

Mr. McCORMACK. If there is an increase, why should not that be included in the amendment of the gentleman?

Mr. RIVERS. I say give them a notice in any event; which is something they do not do now. You cannot find a farmer in this country who knows what the O. P. A. is going to do when the planting season comes. It happens time and time again. Nobody knows what they are going to do when they plant their crop.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I am glad to yield.

Mr. CRAWFORD. The occasion for increasing the price ceiling, no doubt, only occurs when there is a great calamity with respect to the crop, a crop failure or pest infestation, or something of that kind. Of course, if the O. P. A. found there was going to be a shortage and they wanted to raise the ceiling, there would be no necessity for a 15-day notice in that instance?

Mr. RIVERS. That is right.

Mr. CRAWFORD. I think the gentleman is offering an amendment which is perfectly sound. I hope it will prevail.

Mr. RIVERS. In my own district we had the worst conditions this year of anywhere in the whole United States. I know numbers of potato growers who planted three crops of potatoes and did not get one stand. The O. P. A. did not give them a look-in. They do not know where they stand. It is the same way all over the United States. Why should not the farmer or anybody who risks his fortune when he plants his seeds in the ground know where he stands before he puts the seeds in the ground. We take the world into our confidence and forget our own people. We should not be reluctant to take care of the American people. If this amendment is not sound I just do not understand the English language.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I will be glad to yield.

Mr. HINSHAW. With reference to the sugar-beet planting in California, which, of course, is a very early planting, they did not give notice to the farmer and tell him what the price was going to be until long after the planting date.

Mr. RIVERS. Of course. Today farmers do not know what the ceiling is on tobacco. They are going on spending thousands and thousands of dollars and they do not know what they are going to get. Why should not they know, the same as everybody else knows?

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I will be glad to yield. Mr. REED of New York. I just want to say in the case of a manufacturer he knows what his price is under his contract before he starts moving the wheels of his industry.

Mr. RIVERS. Of course, he does.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I will be glad to yield. Mr. MURDOCK. Do I understand that the gentleman's amendment would prohibit putting the ceiling on farm produce, or lowering the ceiling after a crop had been planted?

Mr. RIVERS. It results in the same thing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and members of the Committee, we all recognize that the farmer is entitled to just ordinary consideration at the hands of the Government. When you are establishing an economy by law to control him, you should not establish an economy that can utterly destroy him without giving him any protection whatsoever. The gentleman from South Carolina pointed out a number of crops and a number of times when the farmers have been called upon to plant crops to meet supposed war needs. Our farmers were told we needed these crops and they planted them, although they did not know what the price was going to be. Last year we had a great hue and cry about the shortage of onions. Everybody told the farmer, "Plant onions—plant onions—plant onions." We could get no onions here at Washington. Right in the middle of the harvest of onions in Texas the O. P. A. cut the price down by half and established a ceiling price so low that a man could not even gather the onions he had in the field after he had planted them. That sort of thing is, to my mind, utterly destructive of any confidence on the part of our farmers in our Government. You cannot expect to have the production you should have when we treat the farmers like that. I realize two agencies are involved. One agency of the Government, the Department of Agriculture, calls on farmers to grow crops and then another agency, the O. P. A., comes along and says, after they have grown the crop that they were urged to grow, "We do not want that crop now. Therefore we will pay you nothing for your crop." Our farmers have suffered for too many years. It is high time to do as the gentleman from South Carolina suggests. There is nothing unfair about it. The gentleman from Massachusetts intimated it was unfair to prevent the O. P. A. from lowering a ceiling after a crop was planted unless you also prevented the O. P. A. from raising the ceiling after the crop was planted.

If you want to put a provision in this amendment to the effect that the O. P. A. cannot raise the ceiling price, that will not make any difference to any farmer in the country. The O. P. A. is not going to raise the ceiling price to benefit the farmer. It never has. It never will.

The farmer has nothing to lose by such a provision. Any of you want to put a provision in here to keep the O. P. A. from raising the ceiling price, go right ahead and do it, because it will not affect the farmer at all. But do not make the farmer face in the future what he has had to face in the past; that is, planting his crops, and then after his crop is made, tell him you are going to cut the price in two, or worse than that, and make it impossible for him to gather that crop.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. FOAGE. Surely.

Mr. MORRISON of North Carolina. Is there any danger of this conflicting with the incentive or production bonuses?

Mr. FOAGE. None in the world. Those bonuses have been promised often but in many cases have not been paid when they were promised. You were promised a price for your eggs and you did not get it. Your farmers were promised a price for hogs that many of them did not get. We have been told a number of times that we would get a certain price for various products and have then failed to get the support that was promised. There has not been any effective support of farm prices throughout the country, as there should have been, but there has been a very effective ceiling on these farm prices. A ceiling that often destroyed the value of our crops after our crops were grown. All this amendment asks is that if the O. P. A. does not want a crop grown, put the ceiling price on it before the farmers plant it. If you do not want us to grow a crop at all, tell us before the planting season and we will grow something else, but do not let us grow a crop believing that we are doing the patriotic thing, and then take it away from us after it is grown by the establishment of a confiscatory ceiling.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. RIVERS].

The amendment was agreed to.

Mr. KLEBERG. I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. KLEBERG: Page 10, line 16, after the words, "as amended", strike out the period, insert a colon and the following: "Provided further, That from and after the enactment of this Act it shall be unlawful to pay any subsidy to the producer of any product manufactured in whole or substantial part from any agricultural commodity unless such producers shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producer of such agricultural commodity, prices that are not below the price standards established by the Act of October 2, 1942 (Public Law 729, 77th Cong.). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law."

Mr. KLEBERG. Mr. Chairman, this amendment makes no change whatever in existing law other than to guarantee its proper and ethical performance on the part of those who process commodities from agricultural commodities.

One example will indicate just what the amendment means. You have here in the stockyards over this country a situation where hogs within a certain weight limit are upheld by so-called support prices. Today there are 29,000 such hogs in the yards. The packers are not interested in them. They are not buying, but they are buying hogs above that weight limit. Two hundred and eighty pounds is a good hog, but 288 is a better hog. But that is not supported by a support price, so the packer buys him, not only below the support price but below what would be an ethical price—a satisfactory price.

He goes at the other end, to the lower-weight hogs, and does the same thing. The kind of hogs that the grower has been asked to ship to the yards are there in the yards without any buyer. There is not a man within the sound of my voice who knows anything about the cattle industry from the producing end who does not know that the producers of livestock are menaced with a definite Sword of Damocles hanging over them this fall. Cattle have no support prices under them other than those that are established by the act of October 2, the Stabilization Act. All this amendment does is to require those processors who manufacture products in whole or in part from agricultural commodities to establish by satisfactory and substantial evidence that they have paid prices in accordance with the standards established by the Stabilization Act. The amendment is simple. It does not change the act in any way, and if this is in the bill it will permit confidence at least to a degree which has long been needed in the beef-cattle industry.

I yield back the balance of my time.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the amendment, or to ask some questions about it. It seems to me, having only heard the amendment read, that far from not disturbing existing law, it guarantees a parity price to the producer; that is, it says, as I understood the reading of the amendment, that the person who processes material has to make an affirmative showing that he paid a parity price to the producer. All the law says now is that the O. P. A. cannot put a ceiling price that will keep prices below parity. It is one thing to guarantee a man a price and another thing to say that the Government cannot force a price ceiling below parity. I may be mistaken but those two things do not seem to square.

Mr. CRAWFORD. Will the gentleman yield?

Miss SUMNER of Illinois. I yield.

Mr. CRAWFORD. I do not understand this amendment to force anybody to buy anything at any price anywhere. This amendment, as I understand, provides that packer A and processor B shall not be paid a subsidy for performing the operation, in the absence of an affirmative showing that that packer or processor has paid parity prices provided by law before he gets his subsidy benefit.

Miss SUMNER of Illinois. But the law does not say a man has to get parity.

It says the Government cannot put a ceiling below parity. Those are two entirely different things. In other words, there is nothing in the price-control law that guarantees a man parity. It simply guarantees that the Government will not prevent his getting parity.

Mr. CRAWFORD. That is very true, but the theory of paying subsidy payments to the processor, tied in to the parity price structure as set forth in the Stabilization Act and the act of January 1942, is that the processor or packer shall pay the primary producer parity prices.

Miss SUMNER of Illinois. Now, just a second. Take cotton today. There is one crop that is not getting parity. There is nothing in the law that forces any man to pay cotton parity. As I read this amendment, if any processor is making anything out of cotton he cannot get a subsidy unless he has shown that he has paid that cotton producer parity.

Mr. CRAWFORD. If the Government is paying the cotton producer a subsidy to perform a certain operation, that processor of the cotton should pay the primary producer of the cotton parity.

That is what the big cotton fight is about through the Bankhead amendment.

Miss SUMNER of Illinois. Maybe as a matter of equity the cotton farmer should get parity, and I am not discussing that, but the fact is we have not got a support price up to parity today on cotton, and that is what this amendment puts in.

Mr. CRAWFORD. Oh, no; this amendment does not put it in on cotton because there is no subsidy on cotton.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Miss SUMNER of Illinois. I yield.

Mr. KLEBERG. This does not provide what the gentleman refers to as parity prices guaranteed; it provides purely and simply that before a subsidy is receivable by the producer of a product manufactured in whole or in part he must make satisfactory showing that he has paid the producer of that commodity the standard of prices set forth in the Stabilization Act of October 2.

Miss SUMNER of Illinois. Which is parity, is it not?

Mr. KLEBERG. The gentleman said something about parity not being paid a little while ago, did she not?

Miss SUMNER of Illinois. This Stabilization Act does not force anybody to pay anyone parity.

Mr. CRAWFORD. No; just a moment.

Mr. KLEBERG. That is what I am trying to tell the gentleman; this amendment affects only the standards and scales fixed in the Stabilization Act and not directives issued thereunder.

Miss SUMNER of Illinois. I cannot prove it, but I give the House my assurance and my opinion that this guarantees parity.

Mr. KLEBERG. It has nothing to do with parity.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kentucky is recognized for 5 minutes.

Mr. SPENCE. Mr. Chairman, I think the purpose of this amendment is good, but I believe it is utterly incapable of being administered. I have taken up with the Reconstruction Finance Corporation and the Commodity Credit Corporation the question of paying subsidies direct to the primary producers. They say there are administrative difficulties in the way that make it impossible.

The subsidy on bread is paid to the miller, but the miller does not deal directly with the primary producer and could not guarantee to pay the price to the primary producer that is specified in the amendment. The subsidy on meat is paid to the slaughterer, but the slaughterer in very few instances deals with the primary producer and he could not fulfill the requirements of this amendment unless he did deal directly with the primary producer. I have taken up the matter many times with the departments, doing everything I could to have them make the payment of these subsidies to the primary producers, but they say it is absolutely impossible. If you adopt this amendment, you put an impossible condition in the law and one that will be entirely ineffective and one that will curb the effect of it.

I know that we all who represent farming districts are anxious to have these payments made directly to the farmer, but it cannot be done under the present set-up. There must be an entire change in procedure, and to assure the farmer of obtaining the subsidy it must be paid directly to him.

While the purpose of this amendment may be good, its effect is a nullity. I sincerely hope that we may in some constructive way accomplish the end desired to be obtained by this amendment.

Mr. KLEBERG. Mr. Chairman, I ask unanimous consent to modify my amendment as follows: In the second line, change the word "producer" to "processor" and in the fifth line change the word "producers" to "processors."

The CHAIRMAN. The gentleman from Texas asks unanimous consent to modify his amendment as indicated. Is there objection?

There was no objection.

Mr. PACE. Mr. Chairman, I ask for recognition on the amendment.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. PACE. Mr. Chairman, let me say first that cotton is not involved in this amendment. There are no subsidy payments on cotton, but there are three great commodities involved. The first is wheat, the second is hogs, and the third is cattle. I am going to use wheat as an illustration of what this amendment means. They are now paying 25 cents a bushel subsidy to the flour mills. It totals a little over \$100,000,000. They announced that they were paying that subsidy to the flour millers so the millers

could pay the farmers parity price for the wheat, but all the millers are not paying the farmers parity price for the wheat. The result is that many of the millers—maybe not all of them—are getting a considerable sum as an extra profit; they are getting the 25 cents a bushel subsidy payment but are not carrying out their contract with the producer. I am using wheat as an illustration because I am not as familiar with the cattle situation as is the gentleman from Texas.

This amendment as I interpret it means that when the millers get the 25-cents-a-bushel subsidy payment, which totals over \$100,000,000, they must submit evidence that they have done one of two things: Either paid the producer the parity price of wheat or the highest price for wheat between the dates set up in the act of October 2, 1942, which I believe are January 1 to September 15, 1942.

Cotton is not involved in this amendment, but I am in sympathy with the amendment because later on my colleague the gentleman from Georgia [Mr. BROWN] is going to try to correct the cotton situation. That commodity is in somewhat a similar condition. They fixed textile ceilings at a price based on the mills paying the cotton farmers parity for the cotton, but the mills are not paying the cotton farmers parity; consequently, the mills are getting an extra profit; they are putting in their pocket \$5 to \$10 on every bale of cotton because their ceilings were fixed as though they were paying parity.

The same thing is true with hogs, the same thing is true with cattle, the same thing is true with wheat. The parity price of wheat on May 15 was \$1.50. The average price of wheat on May 15 was \$1.47. There is positive proof that the Government is handing out to the flour mills \$100,000,000 so they can pay the farmer parity for his wheat, yet they are not doing it. This amendment provides that before they can get the 25-cent subsidy per bushel they must submit satisfactory evidence that they have paid the wheat grower the parity price.

Mr. BREHM. Does that apply to hard wheat?

Mr. PACE. They have equalized it so it applies alike to hard and soft wheat.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. ROWE. It means they shall guarantee to the producer that parity to support which that subsidy was paid.

Mr. PACE. Exactly.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. ZIMMERMAN. As I understand, under this amendment the millers cannot get it unless the millers pay parity price.

Mr. PACE. That is right, unless the farmer receives parity.

Mr. ZIMMERMAN. Suppose the miller buys from a warehouseman who buys from a farmer; how is the miller to know that the warehouseman paid parity? Suppose the warehouseman bought for less?

Mr. PACE. I believe under this amendment it would be up to the millers to see that the warehouseman had paid parity to the producer. There are no complications in this amendment, as the distinguished gentleman from Kentucky mentioned. It simply means if the Government is going to put out hundreds of millions of dollars for the farmers to get parity, those buying from the farmer must pay him parity and not put the subsidy in their pockets as excess profits.

Mr. ZIMMERMAN. Suppose the miller pays the warehouseman parity but the warehouseman does not pay the producer parity. I think the gentleman better look into it.

Mr. PACE. The amendment provides that this minimum price must have been paid to the producer of the commodity. It is then a question between the warehouseman and the miller.

Mr. ZIMMERMAN. I misunderstood the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. SPENCE. This amendment makes no provision for the payment of this subsidy to any others than those who now receive subsidies. If those people who receive the subsidy do not purchase directly from the primary producer, how will you carry this into effect? I agree it would be very advisable to have the primary producer receive the subsidy.

If we are going to follow the same practice that has been followed and which they say is the only practice they can follow because administrative difficulties would make it impossible for them to follow any other, I do not see how you can make it possible by this amendment.

Mr. PACE. For 8 years I have heard this talk about administrative difficulties every time we try to make it possible for the farmers to get parity prices for their crops. No one seems to be concerned about administrative difficulties when arrangements are made to pay hundreds and hundreds of millions of dollars to the processors. Yet it is always represented that these subsidies are paid the processors so they can pay the farmers a fair price. We have talked long enough about wanting to see the farmers get parity prices. We should stop so much talk, we should stop trying to find excuses and administrative difficulties, we should take any and every step necessary to insure fair prices to the producers.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. SPENCE. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 15 min-

utes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. MURDOCK. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Arizona.

Mr. MURDOCK. Mr. Chairman, the amendment uses the word "producers" twice. I would like to ask the author of the amendment if he proposes to change the word "producers" in both instances to "processors"?

Mr. KLEBERG. It was my intention to change the first two places where the word "producer" is used to "processors."

Mr. CRAWFORD. Mr. Chairman, I wish to submit a question to the Members of the House who are familiar with the movement of farm products from the farm to the processing plant. The question is whether any farm crops of consequence move through the marketing machinery of a middleman between the farmer and the processor of those farm goods. They say that would raise a substantial question as to this amendment. Frankly, I cannot think of any at the moment. Cotton moves from the farmer to the mills; sugar beets and cane move from the farmers to the processors; vegetables move from the farmer to the processors; fruits move from the orchards and the farmers to the processors, and so on down the line.

It is the philosophy of the Congress in all of this control machinery to give the farmers the prices as set forth in the Stabilization Act and it does not appear to me that the Price Administrator will run into substantial difficulties from an administrative standpoint in requiring the processors of farm goods to qualify, showing that they have paid stabilization prices to the primary producers, the farmers, before the processors, can get their subsidy payments. I think this amendment does that and nothing else.

Mr. CARLSON of Kansas. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. If I understand the amendment correctly, it is one that should be adopted, because we are paying subsidies to processors who are not entitled to receive them. If we approve this amendment it will not prohibit subsidies; it will not grant additional subsidies; it will just mean these processors who are now getting subsidies will have to prove that they paid parity prices. I think the amendment ought to be adopted.

Mr. CRAWFORD. Yes. Let us go to the thought expressed by the gentleman from Georgia [Mr. PACE]. When you set a price on yardage goods that goes into the making of a suit, that price going to the textile or yardage manufacturer, and when that price ceiling is so high you assume he is going to pay a parity price to the farmer. If the textile manufacturer does not pay that parity price to the farmer, then the price carries into the textile operation a level of profit higher than we will say he is really entitled to.

So the O. P. A. sets a price ceiling which it says justifies the textile manufacturer in paying parity to the cotton grower. That does not happen. At the same time O. P. A. comes in and makes a great showing that the textile manufacturer is making high profits.

Mr. Chairman, that situation should be corrected in my opinion.

[Mr. DIRKSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, early in this session I had occasion to raise the question, "Who is an agricultural producer?" Now, I have an answer but it may not be entirely correct or complete. Whether we favor agricultural subsidies or not, it seems to me that if subsidies, or support prices, are to be paid, the benefits should go to the primary producers and we should so write the law that processors or any middleman shall be unable to absorb those subsidies and thus prevent the primary producer from getting them.

I favor the amendment offered by the gentleman from Texas because I believe it corrects an injustice now existing and carries out the original intent of Congress. While the illustration that the gentleman from Texas, Congressman KLEBERG, used deals with hogs, it may be applied also to cattle, and while I am concerned with the processors, that they shall not be hampered in performing their economic function, I do feel that we must give first consideration to the primary producers, which, in my judgment, this amendment will do. Therefore, I favor it.

Mr. GOSSETT. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection? There was no objection.

[Mr. GOSSETT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection? There was no objection.

[Mr. HOLIFIELD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I do not profess to be an agricultural expert. I believe the thing sought to be accomplished by this amendment is devoutly wished. I have always thought that the primary producer should receive a subsidy. I have not only thought that, but I have had conferences with the Secretary of Agriculture, with the Secretary of Commerce, and with the War Food

Administrator in which I have told them that I thought it was unjust that a subsidy that should go to the farmer was paid to the processor, and there was no assurance that the farmer would benefit by it. They all feel that it would be advisable if the farmer could receive the subsidy, but no scheme as yet has been devised by which the farmer receives that subsidy direct. The only way to assure him that he will receive it is to pay it direct to him. You are not changing the method provided by the present law. You are going to pay these subsidies to the same individuals that are now receiving them, but you are going to put a condition on that they shall see that the primary producer receives the subsidy. I say that is impossible of performance under the present law.

The three great subsidies are meat, bread, and butter. In meat you pay the subsidy to the slaughterer. I believe, and I think it is uncontradicted, that in a great majority of instances the slaughterer does not deal directly with the farmer. He buys the cattle on the market, and he has no direct dealings with the farmer at all. The miller certainly has no direct dealings with the man who raises the grain. He buys his grain on the market. He does not know who raises the grain. He has no way of seeing that the primary producers will get the subsidy. With butter it may be that he is a little closer to the farmer, and he might see, in many instances, that the farmer did get the benefit of the subsidy that is paid to him.

I hope we can accomplish this purpose. I hope we can eventually see that the farmer gets a subsidy, but we cannot do it under the present set-up. I think it is a futility to say that the present people who get the subsidy must see that the farmer is paid. That is the reason I am opposed to this amendment. I hope some scheme may be devised by which the farmer can be assured of the payment of the subsidy. I represent farmers.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. What injustice would be done to say to the man who is to receive a bonus, "We are paying it to you, but we are indirectly giving it to the farmer, and if you do not pay it to the farmer or those from whom you purchase, you cannot have it?"

Mr. SPENCE. The farmer ought to get it, but what is the sense of putting a condition in the bill that we cannot make effective?

Mr. MORRISON of North Carolina. It will be effective, because we eliminate the processor, and see to it that the farmer is paid.

Mr. SPENCE. I have great respect for the distinguished gentleman from North Carolina, but I think it is perfectly impractical and impossible under the present set-up to be assured that the farmer gets a subsidy which the farmer ought to have, and which I know every Member here, who has the farmer's interest at heart, would like to see him obtain.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 83, noes 38.

So the amendment was agreed to.

Mr. WEICHEL of Ohio. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record at this point with reference to the Office of Price Administration and to include therein the answer of the Office of Price Administration to an inquiry.

The CHAIRMAN. The gentleman will have to get permission in the House to include the extraneous matter. Without objection, he may have permission to extend his own remarks at this point.

There was no objection.

THE PRICE OF TURKEYS

Mr. WEICHEL of Ohio. Mr. Chairman, you have heard about the workings of the Office of Price Administration and the outrages perpetrated upon the people. But I want to call your attention to a real hardship on the citizen who is doing his level best to comply, as well as the ridiculous and stupid manner in which the average citizen is treated.

Up in my district a hard-working farmer and his wife, who are producing food and poultry, wanted to know the price on turkeys that they desired to sell.

His wife wrote as follows on April 30, 1944, to the Office of Price Administration:

Please send me the prices, live, dressed, and drawn on old hens and toms (turkeys) (include the delivery price) for Clyde, Ohio.

And at the end of 2 weeks they received the following:

RMPR 269, INCLUDING AMENDMENT 16, OCTOBER 6, 1943

OFFICE OF WAR INFORMATION

OFFICE OF PRICE ADMINISTRATION

(Advance Release for Morning Papers, Thursday, October 7, 1943)

OPA-3229

AMENDMENT 16 TO RMPR 269—POULTRY

PRESS RELEASE

Drawn poultry items must be sold and delivered to retailers in whole carcass, split carcass or quarter carcass form only if they are to command maximum base prices established for those items, the Office of Price Administration announced today.

The O. P. A. has also ruled that drawn poultry must be sold and delivered to retailers and ultimate consumers within a 50-mile radius of the point of slaughter in order for the drawn poultry prices to be charged. In all other cases, sales of drawn poultry must be made at prices established for dressed poultry items, which average about 10 or 11 cents per pound below drawn poultry maximums.

If drawn poultry is delivered in cut-up parts, such as separate thigh, back, breast, or drumstick, the aggregate prices for the cut-up parts must amount to no more than the price established for the whole dressed bird. In effect, O. P. A.'s action today, taken in Amendment 16 to Revised Maximum Price Regulation No. 269 (poultry) will lower retail prices of cut-up parts of poultry. The changes are made after consultation with the industry.

The O. P. A. has already amended the regulation to require that sales of cut-up parts of quick-frozen eviscerated poultry must be

packaged together and sold in the original package as one unit. The regulation formerly allowed the sale of separate cut-up parts of the drawn or quick-frozen eviscerated bird at an aggregate price which would not exceed the maximum price established for the sale of the corresponding whole drawn or quick-frozen eviscerated product.

Today's amendment, to take effect October 11, 1943, defines split carcass poultry as drawn poultry which has been cut into halves by splitting the bird down the back, so that each half contains equivalent parts of the bird. Quarter carcass poultry is defined as split carcass poultry each half of which has been divided into two parts so that one part includes the back, thigh, and drumstick, while the other part includes the breast and wing.

Two other changes have been made in RMPR No. 269 by the new amendment to specify the manner in which poultry must be processed.

1. Poultry, other than Kosher-Killed, which has been killed, but not bled and plucked, must be sold at prices not to exceed those established for live poultry items. Dressed poultry prices may not be charged for birds delivered in this condition.

2. Drawn poultry must be processed so that the head, shanks, crop, windpipe, esophagus, and entrails of the bird are wholly removed without contamination of the body cavity, and the shanks of each bird must be removed at the hock joint. The gizzard of each bird must be cleaned by removing the contents and lining, and the cleaned gizzard, the heart and the liver included with the carcass.

PART 1429—POULTRY AND EGGS

(Revised MPR 269, Incl. Amdt. 16)

POULTRY

Section 1429.19 (h) (2), (i) (2) and (3) amended by Amendment 16, effective October 11, 1943, so that Revised Maximum Price Regulation 269 shall read as follows:

In the judgment of the Price Administrator, it is necessary and proper, in order to effectuate the purposes of the Emergency Price Control Act of 1942, as amended, and Executive Order No. 9250 issued by the President on October 3, 1942, that maximum prices be established for the sale of the poultry items named in this regulation.

The maximum prices established by this regulation are, in the judgment of the Price Administrator, generally fair and equitable and will effectuate the purposes of the amended Act and Executive Order. So far as practicable, the Price Administrator has advised and consulted with representative members of the industries affected by this regulation. A statement of the considerations² involved in the issuance of this regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register. The following regulation supersedes Maximum Price Regulation No. 269, as amended,³ and Maximum Price Regulation No. 280⁴ with respect to the commodities specified in this regulation.

The maximum prices established herein for poultry items are not below prices which will reflect to the growers and producers of such poultry items prices for their products equal to the highest of the prices required by the provisions of the Emergency Price Control Act of 1942, as amended, and by Executive Order No. 9250. The Price Administrator has consulted with the Secretary of Agriculture and has obtained his approval for the agricultural commodities covered herein.

¹ F. R. 10708.

² Statements of considerations are also issued simultaneously with the issuance of amendments. Copies may be obtained from the Office of Price Administration.

³ 7 F. R. 9292, 9620.

⁴ 8 F. R. 5165, 6357, 7196, 7599, 7670, 8065, 8180.

Insofar as this regulation uses specifications and standards which were not, prior to such use, in general use in the trade or industry affected, or insofar as their use was not lawfully required by another Government agency, the Administrator has determined, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to the commodities subject to this regulation.

(Preamble as amended by Supplementary Order 57, 8 F. R. 12551, effective 9-11-43)

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, as amended, and Executive Order No. 9250 and in accordance with Revised Procedural Regulation No. 1,⁵ issued by the Office of Price Administration, Revised Maximum Price Regulation No. 269 is hereby issued.

Sec.

- 1429.1 Prohibition against selling poultry at prices above the maximum.
- 1429.2 Exempt sales.
- 1429.3 Less than maximum prices.
- 1429.4 Records and reports.
- 1429.5 Evasion.
- 1429.6 Enforcement.
- 1429.6a Licensing.
- 1429.7 Sales for export.
- 1429.8 Applicability.
- 1429.9 Applicability of certain provisions of the General Maximum Price Regulation, as amended.
- 1429.10 Geographical applicability.
- 1429.11 Transfers of business or stock in trade.
- 1429.12 Petitions for amendment.
- 1429.13 Adjustable pricing.
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- 1429.24 Maximum prices for poultry items requisitioned or purchased by the United States Government or any agency thereof.
- 1429.25 Sale of poultry items requisitioned or purchased by the United States Government or any agency thereof.
- 1429.26 Service charge for the processing of poultry items owned by the United States Government or any agency thereof.

AUTHORITY: §§ 1429.1 to 1429.26, inclusive, issued under 56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871 and E. O. 9328, 8 F. R. 4681.

§ 1429.1. Prohibition against selling poultry at prices above the maximum: On and after December 18, 1942, regardless of any contract, agreement, or other obligation, no person shall sell or deliver or cause to be sold or delivered whether for his own account or otherwise, the poultry items specified in this regulation, and no person in the course of trade or business shall buy or receive such poultry items at a price higher than the maximum prices permitted by this regulation; and no person shall agree, offer, solicit, or attempt to do any of the foregoing. The provisions of this section shall not be applicable to sales or deliveries of poultry

⁵ 7 F. R. 8961; 8 F. R. 3313, 3533, 6173, 11806.

items to a purchaser, if, prior to December 18, 1942, such poultry items have been received by a carrier, other than a carrier owned or controlled by the seller, for shipment to such purchaser.

(§ 1429.1 as amended by Amendment 12, 8 F. R. 10940, effective 8-4-43)

[NOTE: Supplementary Order No. 7 (7 F. R. 5176) provides that War Procurement Agencies and Governments Whose Defense is Vital to the Defense of the United States shall be relieved of liability, civil or criminal, imposed by price regulations issued by the Office of Price Administration.]

[NOTE: Revised Supplementary Order No. 34 (8 F. R. 12404) permits special packing expenses to be added to maximum prices on sales to procurement agencies of the United States.]

§ 1429.2 Exempt sales: The following sales are exempt from the provisions of this Revised Maximum Price Regulation No. 269, in addition to those exempted by the application of certain provisions of the General Maximum Price Regulation, as amended,⁶ as incorporated in this Revised Maximum Price Regulation No. 269.

(a) All sales at retail except those specified in § 1429.22 herein. Sales at retail shall be determined in accordance with the provisions of Maximum Price Regulation No. 268, entitled "Certain Perishable Food Products at Retail."⁷

(b) All sales and purchases of breeding poultry when sold or purchased for breeding purposes only.

(c) All sales and purchases of "baby" or "started" chicks, ducklings, goslings, and poults when sold for purposes other than present human consumption.

(d) All sales and purchases of female poultry when sold or purchased for egg production purposes.

(e) All sales and purchases of pigeons, squabs, guineas, quail, and pheasants.

(Paragraph (e) added by Amendment 6, 8 F. R. 3316, effective 3-20-43)

§ 1429.3 Less than maximum prices: Lower prices than those established by this Revised Maximum Price Regulation No. 269 may be charged, demanded, paid, or offered.

§ 1429.4 Records and reports: (a) Every seller and purchaser subject to this Revised Maximum Price Regulation No. 269 making sales or deliveries or purchases of poultry items to the value of \$200 or more in any one month, after December 21, 1942, shall keep for inspection by the Office of Price Administration for so long as the Emergency Price Control Act of 1942 remains in effect a complete and accurate record of each sale or delivery of poultry items, showing the date of purchase or sale, the name and address of the buyer and seller, the quantities, types, grades, weight classes of poultry bought and sold, the number of head of each type, grade, and weight class of poultry bought and sold, the type of sale made (delivered or non-delivered), and the price paid or received.

(Paragraph (a) as amended by Amendment 8, 8 F. R. 5408, effective 4-22-43)

(b) Every person shipping any of the poultry items specified in this regulation by freight car, truck, or other means of transport from one place to another, shall post within such freight car, truck, or other means of transport, a manifest showing the place from which such poultry items were shipped, the name and address of the owner of such poultry items while in transit, the name and address of the person or persons to whom

such poultry items are being shipped, the name and address of the seller or sellers, the quantities, types, grades, weight classes of poultry bought and sold, the number of head of each type, grade, and weight class of poultry bought and sold, and the price paid.

(Paragraph (b) amended by Amendment 8, 8 F. R. 5408, effective 4-22-43 and Amendment 12, 8 F. R. 10940, effective 8-4-43)

(c) Every seller and purchaser subject to this regulation shall keep such other records in addition to or in place of the records required in paragraphs (a) and (b) of this section and shall submit such reports to the Office of Price Administration as that Office may from time to time require or permit.

(Paragraph (c) added by Amendment 8, 8 F. R. 5408, effective 4-22-43)

§ 1429.5 Evasion: Price limitations set forth in this Revised Maximum Price Regulation No. 269 shall not be evaded whether by direct or indirect methods, in connection with any offer, solicitation, agreement, sale, delivery, purchase or receipt of, or relating to the commodities prices of which are herein regulated, alone or in conjunction with any other commodity, or by way of commission, service, transportation, or other charge, or discount, premium, or other privilege or other trade understanding or otherwise.

§ 1429.6 Enforcement: (a) Persons violating any provision of this Revised Maximum Price Regulation No. 269 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942, as amended.

(b) Persons who have any evidence of any violation of this Revised Maximum Price Regulation No. 269 or any price schedule, regulation, or order, issued by the Office of Price Administration, or any acts or practices which constitute such a violation, are urged to communicate with the nearest district, State, field or regional offices of the Office of Price Administration, or its principal office in Washington, D. C.

§ 1429.6a. Licensing: The provisions of Licensing Order No. 1, licensing all persons who make sales under price control, are applicable to all sellers subject to this regulation or schedule. A seller's license may be suspended for violations of the license or of one or more applicable price schedules or regulations. A person whose license is suspended may not, during the period of suspension, make any sale for which his license has been suspended.

(§ 1429.6a added by Supplementary Order 72, 8 F. R. 13244, effective 10-1-43)

§ 1429.7 Sales for export: The maximum prices at which a person may export any commodity covered by this Revised Maximum Price Regulation No. 269 shall be determined in accordance with the provisions of the Revised Maximum Export Regulation⁸ issued by the Office of Price Administration.

§ 1429.8 Applicability: The provisions of this Revised Maximum Price Regulation No. 269 supersede the provisions of Maximum Price Regulation No. 269, as amended, and the provisions of Maximum Price Regulation No. 280 with respect to sales and deliveries of the poultry items for which maximum prices are established by this regulation.

§ 1429.9 Applicability of certain provisions of the General Maximum Price Regulation, as amended: (a) The following sections of General Maximum Price Regulation, and amendments thereto, and Revised Supplementary Regulation No. 4⁹ thereof, shall be applicable to every person making sales and deliveries

covered by this Revised Maximum Price Regulation No. 269.

(1) § 1499.4b (Special deals).

(2) § 1499.14 (Sales slips and receipts).

(3) [Revoked.]

(4) [Revoked.]

(Paragraphs (3) and (4) revoked by Supplementary Order 72, 8 F. R. 13244, effective 10-1-43)

(5) § 1499.29 (a) (5) (Developmental contracts).¹⁰

(6) § 1499.29 (a) (6) (Secret contracts).¹¹

(7) § 1499.29 (a) (7) (Emergency purchases).¹²

(8) § 1499.29 (a) (15) (Sales or deliveries of the War Department or the Department of the Navy through such Departments' sales stores).

§ 1429.10 Geographical applicability: The provisions of this Revised Maximum Price Regulation No. 269 shall be applicable only to the 48 States of the United States and to the District of Columbia.

§ 1429.11 Transfers of business or stock in trade: If the business, assets, or stock in trade of any seller are sold or otherwise transferred on or after the effective date of this Revised Maximum Price Regulation No. 269, and the transferee carries on the business, the maximum prices of the transferee shall be the same as those to which his transferor would have been subject if no transfer had taken place, and his obligation to keep records sufficient to verify those prices shall be the same. The transferor shall either preserve and make available, or turn over to the transferee, all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the record provisions contained in this regulation.

§ 1429.12 Petitions for amendment: Persons seeking an amendment of this Revised Maximum Price Regulation No. 269 may file a petition therefor in accordance with the provisions of Revised Procedural Regulation No. 1, issued by the Office of Price Administration.

[NOTE: Procedural Regulation No. 6 (7 F. R. 5087, 5665; 8 F. R. 6173, 6174) provides for the filing of applications for adjustment of maximum prices for commodities or services under Government contracts or subcontracts. Revised Supplementary Order No. 9 (8 F. R. 6175) makes the provisions of Procedural Regulation No. 6 applicable to all price regulations, excepting those which expressly prohibit such applications, and certain specific regulations listed in Revised Supplementary Order No. 9.]

§ 1429.13 Adjustable pricing: Any person may offer or agree to adjust or fix prices to and at prices not in excess of the maximum prices in effect at the time of delivery. In appropriate situations, where a petition for amendment requires extended consideration, the Price Administrator may, upon application, grant permission to agree to adjust prices upon deliveries made during the pendency of the petition in accordance with the disposition of the petition.

§ 1429.14 Adjustment of maximum prices for live and dressed poultry: (a) The Office of Price Administration, or any duly authorized representative thereof, may adjust any maximum price established under this Revised Maximum Price Regulation No. 269 for live and dressed poultry items, in the case of any seller or group of sellers where it appears:

(1) That there exists or threatens to exist in a particular locality a shortage in the supply of such live and dressed poultry item; and

¹⁰ Superseded by § 1499.26, sec. 4.4.

¹¹ Superseded by Supplementary Order No. 42, Exception of sales to Government agencies pursuant to secret contracts or subcontracts. 8 F. R. 4968.

¹² Superseded by § 1499.26, sec. 4.3 (f).

⁶ 8 F. R. 3096, 3849, 4347, 4486, 4724, 4978, 4848, 6047, 6962, 8511, 9025, 9991, 11955.

⁷ Superseded by Maximum Price Regulation No. 422; 8 F. R. 9395, 10569, 12443, 12611, 13294 and Maximum Price Regulation No. 423; 8 F. R. 9407, 10570, 10988, 12443, 12611, 13294.

⁸ Second Revision: 8 F. R. 4132, 7662, 9998.

⁹ Superseded by Revised Supplementary Regulation No. 1.

(2) That such local shortage will be substantially reduced or eliminated by adjusting the maximum prices of such seller and of like sellers for such live and dressed poultry items; and

(3) That such adjustment will not create or tend to create a shortage, or need for increase in prices, in another locality, and will effectuate the purposes of the Emergency Price Control Act of 1942, as amended.

(b) Applications for adjustment under this § 1429.14 shall be filed in accordance with Revised Procedural Regulation No. 1.

(c) Each Regional Administrator is authorized to make adjustments or act upon applications for adjustment under this section.

(Paragraph (c) added by Amendment 3, 8 F.R. 567, effective 1-13-43)

(d) Each Regional Administrator of the Office of Price Administration is authorized to adjust the maximum base prices for any live poultry item, as established in § 1429.19 of this regulation, for all places within any political subdivision or other defined area in this region to one uniform maximum base price applicable to all places in such political subdivision or other defined area, *Provided*, That:

(1) Such uniform maximum base price for the live poultry item does not exceed by more than $\frac{1}{10}$ of one cent per pound the lowest maximum base price for the live poultry item in such political subdivision or other defined area.

(2) Such uniform maximum base price for the live poultry item will not create or tend to create a shortage, or need for increase in prices, in another locality, and will effectuate the purposes of the Emergency Price Control Act of 1942, as amended.

(3) The Price Executive of the Poultry, Eggs, and Dairy Products Branch of the Food Price Division of the Office of Price Administration is notified in writing of the proposed uniform maximum base price for the live poultry item, and has consented in writing to the establishment of such uniform maximum base price.

Example: The maximum base price for live broilers in County X ranges from a low of 28.44 cents per pound to a high of 28.53 cents per pound. The Regional Administrator decides to adjust all maximum base prices for live broilers in County X to one uniform maximum base price of 28.5 cents per pound, in the interest of simplicity and effective enforcement. He ascertains that such uniform price will not create a shortage or need for increase in prices in another locality. He also knows that the uniform maximum base price of 28.5 cents per pound does not exceed by more than $\frac{1}{10}$ th of one cent the lowest maximum base price of 28.5 cents per pound. Therefore, upon receiving the written consent of the Price Executive of the Poultry, Eggs, and Dairy Products Branch of the Food Price Division of the Office of Price Administration, he may establish 28.5 cents per pound as the uniform maximum base price for live broilers at all places in County X.

(4) The Administrator of the War Food Administration is notified in writing of every proposed uniform maximum base price for any live poultry item which reduces the maximum base price for such live poultry item at any place in the political subdivision or other defined area for which the uniform maximum base price is proposed by more than one-tenth of one cent per pound, and has consented in writing to the establishment of such uniform maximum base price.

(Paragraph (d) added by amendment 9, 8 F.R. 6736, effective 5-26-43; paragraph (4) added by Amendment 12, 8 F.R. 10940, effective 8-4-43)

(e) Regional adjustment of maximum base prices and permitted increases: (1) The

following powers are delegated to each Regional Administrator of the Office of Price Administration with respect to the purchase, sale, or delivery of any poultry item at all places or any number of places within his Region, subject to the limitations listed immediately below in subparagraph (2) of this paragraph.

(i) Each Regional Administrator is authorized to adjust the maximum base prices for dressed, kosher-killed, kosher-dressed and plucked, drawn, and quick-frozen eviscerated poultry items as established in this section.

NOTE: No adjustment may be made to the maximum base prices for live poultry items as established in this section, except as provided for in paragraph (d) immediately above.

(ii) Each Regional Administrator is authorized to adjust the permitted increases established in § 1429.21 of this regulation.

(iii) Each Regional Administrator is authorized to modify or change any of the definitions listed in § 1429.21 (b) of this regulation, where it appears that such modified or changed definitions will aid in the enforcement of this regulation and in the proper distribution of poultry items in his region.

(2) The powers delegated to each Regional Administrator of the Office of Price Administration in subparagraph (1) immediately above, are subject to the following limitations:

(i) No Regional Administrator may take any action which will increase the maximum prices at which any poultry item may be sold at retail, or to ultimate consumers, including commercial, industrial, institutional, or governmental users.

(ii) No Regional Administrator may take any action which will decrease the margin of profit for retail sales of poultry items by more than one cent per pound.

(iii) No Regional Administrator may take any action which will create or tend to create a poultry shortage or need for increase in poultry prices in another locality, and which will nullify or defeat the purposes of the Emergency Price Control Act of 1942, as amended.

(iv) No adjustment may be made to any maximum base price or to any permitted increase, and no modification or change may be made to any definition, unless such adjustment, modification, or change has first been submitted in writing to the Price Executive of the Poultry, Eggs, and Dairy Products Branch of the Food Price Division of the Office of Price Administration, and to the Division Counsel for Food of the Office of Price Administration, and has been approved in writing by such Price Executive and by such Division Counsel.

(Paragraph (e) added by Amendment 11, 8 F.R. 9299, effective 7-10-43)

§ 1429.15 Federal and State taxes: Any tax upon, or incident to, the sale or delivery of poultry items imposed by any statute of the United States or statute or ordinance of any State or subdivision thereof, shall be treated as follows in determining the seller's maximum price for such commodity and in preparing the records of such seller with respect thereto:

(a) As to a tax in effect prior to the effective date of this Revised Price Regulation No. 269 for any poultry item: (1) If the seller paid such tax, or if the tax was paid by any prior vendor, irrespective of whether the amount thereof was separately stated and collected from the seller, but the seller did not customarily state and collect separately from the purchase price prior to the effective date for such item the amount of the tax paid by him or tax reimbursement collected from him by his vendor, the seller may not collect such amount in addition to the maxi-

mum price, and in such a case shall include such amount in determining the maximum price under this Revised Maximum Price Regulation No. 269.

(2) In all other cases, if, at the time the seller determines his maximum price, the statute or ordinance imposing such tax does not prohibit the seller from stating and collecting the tax separately from the purchase price, and the seller does state it separately, the seller may collect, in addition to the maximum price, the amount of the tax actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased, and in such case the seller shall not include such amount in determining the maximum price under this Revised Maximum Price Regulation No. 269.

(b) As to a tax or an increase in a tax which becomes effective after the effective date of this regulation for any poultry item: If the statute or ordinance imposing such tax or increase does not prohibit the seller from stating and collecting the tax or increase separately from the purchase price, and the seller does separately state it, the seller may collect, in addition to the maximum price, the amount of the tax or increase actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased.

[NOTE: Supplementary Order No. 31 (7 F.R. 9894; 8 F.R. 1312, 3702) provides that: "Notwithstanding the provisions of any price regulation, the tax on transportation of all property (excepting coal) imposed by section 620 of the Revenue Act of 1942 shall, for purposes of determining the applicable maximum price of any commodity or service, be treated as though it were an increase of 3% in the amount charged by every person engaged in the business of transporting property for hire. It shall not be treated under any provision of any price regulation or any interpretation thereof, as a tax for which a charge may be made in addition to the maximum price."]

§ 1429.16 Discounts and allowances: The maximum prices established for poultry items in this Revised Maximum Price Regulation No. 269 shall apply to all sales, whether cash or credit. However, any seller may always give discounts or allowances which result in prices lower than the maximum.

§ 1429.17 Definitions: (a) "Poultry items" means the live and dressed poultry items defined in § 1429.19 herein.

(b) "Customary" or "customarily" means the usual practice during the period, December 1, 1941, to December 1, 1942, of the person to whom the word "customary" or "customarily" applies. When the person was not in business during this period, "customary" or "customarily" means his usual practice for the time he was in business.

(c) Unless the context requires otherwise, the definitions of the General Maximum Price Regulation, as amended, and of section 302 of the Emergency Price Control Act of 1942, as amended, shall apply to the terms used in this Revised Maximum Price Regulation No. 269.

§ 1429.18 Effective date: This Revised Maximum Price Regulation No. 269 (Sections 1429.1 to 1429.22, inclusive) shall become effective December 18, 1943.

[Issued December 18, 1942]

(Effective dates of amendments are shown in notes following the parts affected)

§ 1429.19 Maximum base prices for poultry items: (a) Every place in the United States shall have its own maximum base price for the poultry items listed in Table A of this section.

(1) The word "place" means any city, town, village, hamlet, or any unincorporated area in the United States where the purchase and sale of any poultry item occurs.

(2) Every unincorporated area in the United States which is not a city, town, village, or hamlet shall have as its maximum base price for the poultry items listed in Table A of this section the same price as is established for the city, town, village, or hamlet nearest to such unincorporated area.

(Paragraph (a) as amended by Amendment 8, 8 F. R. 5408, effective 4-22-43)

(b) The United States shall be divided into an "Eastern zone" and a "Western zone" for the purpose of calculating maximum base prices for poultry items.

(1) The "Eastern zone" shall consist of the Counties of Milwaukee, Racine, and Kenosha in the State of Wisconsin, the Counties of Cook, Lake, and Du Page, in the State of Illinois, and all of the United States east of the line running south from the Canadian border along the eastern shore of Lake Michigan, the Illinois-Indiana State line, the Illinois-Kentucky State line, and then south along the eastern bank of the Mississippi River to the Gulf of Mexico.

(2) The "Western zone" shall consist of all of the United States west of the above line, excluding the counties of Milwaukee, Racine, and Kenosha in the State of Wisconsin, and the counties of Cook, Lake, and Du Page in the State of Illinois.

(Paragraph (b) as amended by amendment 8, 8 F. R. 5408, effective 4-22-43)

(c) Maximum base prices for poultry items, excluding duck items: (1) The maximum base price for any poultry item, excluding duck items, purchased, sold, or delivered at any place in the "Eastern Zone" of the United States shall be calculated by taking the maximum base price for such poultry item in Chicago as set forth in table A of this section, and adding thereto the "freight rate" from Chicago to such particular place.

"Freight rate" means the lowest carlot railroad freight rate for dressed poultry multiplied by 1.22.

(2) The maximum base price for any poultry item, excluding duck items, purchased, sold, or delivered at any place in the "Western Zone" of the United States shall be calculated as follows:

(i) The "freight rate" from the place to each of the five basing point cities of New York, Los Angeles, San Francisco, Seattle, and Portland, Oregon, shall be subtracted from the respective maximum base prices in each of these five cities for the poultry item as set forth below in table A of this section, and the highest price so obtained shall be the maximum base price for the poultry item at such place.

Example: To determine the maximum base price for a Grade A dressed young turkey of less than 16 pounds in Denver, Colorado, subtracting the following "freight rates" from the following maximum base prices:

	New York	San Francisco and Los Angeles	Portland and Seattle
Maximum base price....	Cents 40.00	Cents 39.00	Cents 39.00
Freight rate from Denver to.....	2.26	1.38	1.72
Difference.....	37.74	37.62	37.28

The highest price is obtained by subtracting the Denver to New York freight rate from the New York maximum base price for a Grade A dressed young turkey of less than 16 pounds, and 37.74 cents per pound is the maximum base price for such turkey item in Denver, Colo.

(d) Maximum base prices for live duck items: (1) The maximum base price for any live duck item purchased, sold, or delivered at any place in the United States shall be 25 cents per pound.

(Paragraph (d) as amended by Amendment 8, 8 F. R. 5408, effective 4-22-43)

(e) Maximum base prices for kosher-killed and kosher-dressed-and-plucked duck items: (1) The maximum base price for any kosher-killed duck item purchased, sold, or delivered at any place in the United States shall be 28 cents per pound.

(2) The maximum base price for any kosher-dressed-and-plucked duck item purchased, sold, or delivered at any place in the United States shall be 30 cents per pound.

(f) Maximum base prices for dressed, drawn, and quick-frozen eviscerated duck items: (1) The maximum base price for any dressed, drawn, or quick-frozen eviscerated duck item purchased, sold, or delivered at any place in the eastern zone of the United States shall be calculated by taking the maximum base price for such duck item in New York as set forth below in table A of this section, and adding thereto the freight rate from New York to such particular place.

(2) The maximum base price for any dressed, drawn, or quick-frozen eviscerated duck item purchased, sold, or delivered at any place in the "Western Zone" of the United States shall be calculated as follows:

(i) The "freight rate" from any place in the "Western Zone" of the United States to each of the six basing point cities of Chicago, New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oregon, shall be subtracted from the respective maximum base prices in each of these six cities for the duck item as set forth in Table A of this section, and the highest price so obtained shall be the maximum base price for the duck item at such place.

(g) The following exceptions are made to paragraphs (c), (d), (e), and (f) immediately above:

(1) The maximum base prices for each poultry item purchased, sold, or delivered in the cities of San Diego, California; Phoenix,

Arizona; Tucson, Arizona; and Reno, Nevada, shall be the same as those listed below in Table A of this section for Los Angeles.

(2) The maximum base prices for each poultry item purchased, sold, or delivered at all places in the State of Oregon west of the eastern boundaries of the counties of Multnomah, Clackamas, Marion, Linn, Lane, Douglas, and Jackson, shall be the same as those listed below in Table A of this section for Portland.

(Paragraphs (1) and (2) as amended by Amendment 11, 8 F. R. 9299, effective 7-10-43)

(3) The maximum base prices for each poultry item purchased, sold, or delivered at all places in the State of Washington west of the eastern boundaries of the counties of Whatcom, Skagit, Snohomish, King, Pierce, Lewis, and Skamania shall be the same as those listed below in table A of this section for Seattle.

(4) The maximum base price for any live broiler item weighing less than 2½ pounds, produced and purchased, sold, or delivered at any place in the States of Washington, Oregon, California, Nevada, and Arizona, for ultimate consumption at any place in such States shall be 30 cents per pound.

(5) The maximum base price for any dressed, drawn, or quick-frozen eviscerated broiler item weighing less than 2 pounds dressed, and less than 1¼ pounds drawn, or quick-frozen eviscerated, produced and processed and purchased, sold or delivered at any place in the State of Washington, Oregon, California, Nevada, and Arizona, for ultimate consumption at any place in such States shall be as follows:

	Cents per pound
Dressed.....	38.0
Kosher-killed.....	38.0
Kosher-dressed and plucked.....	39.5
Drawn.....	51.5
Quick-frozen eviscerated.....	59.5

(Paragraphs (4) and (5) added by Amendment 8, 8 F. R. 5408, effective 4-22-43)

(h) Maximum base prices for poultry items in the basing point cities: (1) The "eastern zone" basing point city for all poultry items designated below, excluding duck items, is Chicago. The "western zone" basing point cities for all poultry items designated below, excluding duck items, are New York, Los Angeles, San Francisco, Seattle, and Portland, Oregon. The "eastern zone" basing point city for all dressed, drawn, and quick-frozen eviscerated duck items designated below is New York. The "western zone" basing point cities for all dressed, drawn, and quick-frozen eviscerated duck items designated below are Chicago, New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oregon.

The following maximum base prices are for poultry items as designated below delivered to the buyer's customary receiving point at the basing point cities listed immediately below:

(1) Grade "A" poultry items.

TABLE A

Type	Food products			Eastern zone basing-point city						Western zone basing-point cities											
	Weight			Chicago						New York					Pacific Coast—Los Angeles, San Francisco, Seattle, and Portland						
	Live weight	Kosher-killed, kosher-dressed and dressed weight	Quick-frozen eviscerated and drawn weight	Live	Dressed	Kosher-killed	Kosher-dressed and plucked	Drawn	Quick-frozen, eviscerated	Live	Dressed	Kosher-killed	Kosher-dressed and plucked	Drawn	Quick-frozen, eviscerated	Live	Dressed	Kosher-killed	Kosher-dressed and plucked	Drawn	Quick-frozen, eviscerated
Broilers and fryers.....	Under 4.....	Under 3½.....	Under 2½.....	27.5	35.0	34.0	35.5	45.5	51.5	28.5	36.0	35.0	36.5	46.5	52.5	29.0	36.5	35.5	37.0	47.0	53.0
Roasters.....	4 and over.....	3½ and over.....	2½ and over.....	27.5	35.0	34.0	35.5	43.5	48.5	28.5	36.0	35.0	36.5	44.5	49.5	29.0	36.5	35.5	37.0	45.0	50.0
Capons:																					
Light.....	Under 6.....	Under 5½.....	Under 4½.....	27.5	35.0	34.0	35.5	43.5	48.5	28.5	36.0	35.0	36.5	44.5	49.5	29.0	36.5	35.5	37.0	45.0	50.0
Heavy.....	6 and over.....	5½ and over.....	4½ and over.....	31.0	38.0	37.0	38.5	46.0	50.0	32.0	39.0	38.0	39.5	47.0	51.0	32.5	39.5	38.5	40.0	47.5	51.5
Fowl.....	All weights.....	All weights.....	All weights.....	24.0	31.0	30.0	31.5	39.0	43.0	25.0	32.0	31.0	32.5	40.0	44.0	25.5	32.5	31.5	33.0	40.5	44.5
Stags and Old Roosters.....	All weights.....	All weights.....	All weights.....	20.0	26.5	25.5	27.0	33.0	37.0	21.0	27.5	26.5	28.0	34.0	38.0	21.5	28.0	27.0	28.5	34.5	38.5
Geese.....	All weights.....	All weights.....	All weights.....	25.0	29.0	29.0	30.5	42.5	45.5	26.0	30.0	30.0	31.5	43.5	46.5	26.5	30.5	30.5	32.0	44.0	47.0
Young turkeys:																					
Light.....	Under 18.....	Under 16.....	Under 13.....	35.0	39.0	39.0	40.5	50.0	53.0	36.0	40.0	40.0	41.5	51.0	54.0	35.0	39.0	39.0	40.5	50.0	53.0
Medium.....	18 to 22.....	16 to 20.....	13 to 16½.....	33.5	37.5	37.5	39.0	47.5	50.5	34.5	38.5	38.5	40.0	48.5	51.5	33.5	37.5	37.5	39.0	47.5	50.5
Heavy.....	22 and over.....	20 and over.....	16½ and over.....	32.5	36.5	36.5	38.0	45.5	48.5	33.5	37.5	37.5	39.0	46.5	49.5	32.5	36.5	36.5	38.0	45.5	48.5
Old Turkeys:																					
Light.....	Under 18.....	Under 16.....	Under 13.....	33.0	37.0	37.0	38.5	48.0	51.0	34.0	38.0	38.0	39.5	49.0	52.0	33.0	37.0	37.0	38.5	48.0	51.0
Medium.....	18 to 22.....	16 to 20.....	13 to 16½.....	31.5	35.5	35.5	37.0	45.5	48.5	32.5	36.5	36.5	38.0	46.5	49.5	31.5	35.5	35.5	37.0	45.5	48.5
Heavy.....	22 and over.....	20 and over.....	16½ and over.....	30.5	34.5	34.5	36.0	43.5	46.5	31.5	35.5	35.5	37.0	44.5	47.5	30.5	34.5	34.5	36.0	43.5	46.5

[Table as amended by Amendment 14, 8 F. R. 13302, effective 10-12-43.]

FOOD PRODUCT: DUCKS—ALL WEIGHTS

Basing-point cities	Live	Dressed	Kosher killed	Kosher dressed and plucked	Drawn	Quick-frozen eviscerated
Eastern Zone—New York.....	25.0	27.0	28.0	30.0	38.5	41.5
Western Zone:						
Chicago.....	25.0	28.0	28.0	30.0	39.5	42.5
New Orleans.....	25.0	28.4	28.0	30.0	39.9	42.9
Pacific Coast: Los Angeles, San Francisco, Seattle, and Portland.....	25.0	29.0	28.0	30.0	40.5	43.5

1 These are maximum base prices at all places in the United States.

(Paragraph (i) amended by Amendment 8, 8 F. R. 5408, effective 4-22-43.)

(a) For a period of 69 days, to and including the 30th day of June 1943 any person who on the 22d of April 1943, owned and was in possession of any of the dressed or quick-frozen eviscerated poultry items listed immediately below in Temporary Table A-1, and who prior to the 7th day of May 1943, filed with his Regional or State O. P. A. Office, a complete inventory in triplicate showing the quantities, types, grade, and weight classes of such dressed or quick-frozen eviscerated poultry items owned by him, may sell and deliver such dressed or quick-frozen eviscerated poultry items at the maximum base prices established in Temporary Table A-1

immediately below, and may, if qualified to do so by the provisions of § 1429.21 of this regulation, add to such maximum base prices the proper permitted increase established for such person in § 1429.21, Table B.

For a period of 69 days, to and including the 30th day of June 1943, any purchaser who purchases any of the dressed or quick-frozen eviscerated poultry items listed immediately below in Temporary Table A-1, at the maximum base prices established in such table, from any seller authorized by the provisions of this § 1429.19 (h) (i) (a) to sell at such maximum base prices, may resell such dressed or quick-frozen eviscerated poultry items at

the maximum base prices established in Temporary Table A-1, and may, if qualified to do so by the provisions of § 1429.21 of this regulation, add to such maximum base prices the proper permitted increase established for such purchaser in § 1429.21, Table B. *Provided:* That, such purchaser file with his Regional or State O. P. A. Office, at the time of purchase, a statement in triplicate showing the quantities, types, grades, and weight classes of dressed or quick-frozen eviscerated poultry items purchased by him, the price paid for each such poultry item, the date of the purchase, and the name and address of the seller.

TEMPORARY TABLE A-1

[The prices established in this table shall remain in effect for a period of 69 days, to and including the 30th day of June 1943. Thereafter these prices shall be replaced by those established in Table A of this section. These prices do not apply to any poultry items dressed, processed, or quick-frozen eviscerated after the 22d day of April 1943]

Food products—type	Weight		Eastern zone basing-point city				Western zone basing-point cities—Pacific coast: Los Angeles, San Francisco, Seattle, and Portland	
	Dressed weight	Quick-frozen eviscerated weight	Chicago		New York		Dressed	Quick-frozen eviscerated
			Dressed	Quick-frozen eviscerated	Dressed	Quick-frozen eviscerated		
Roasters:								
Light.....	3½ to 5.....	2½ to 3¾.....	35.5	54.5	36.5	55.5	37.0	56.0
Heavy.....	5 and over.....	3¾ and over.....	37.5	56.0	38.5	57.0	39.0	57.5
Stags:								
Light.....	Under 5.....	Under 3¾.....	30.5	47.5	31.5	48.5	32.0	49.0
Heavy.....	5 and over.....	3¾ and over.....	32.0	48.5	33.0	49.5	33.5	50.0
Capons:								
Light.....	Under 7.....	Under 5.....	39.5	61.0	40.5	62.0	41.0	62.5
Heavy.....	7 and over.....	5 and over.....	40.5	61.5	41.5	62.5	42.0	63.0
Fowl:								
Medium.....		2½ to 3¾.....		47.5		48.5		49.0
Heavy.....		3¾ and over.....		47.0		48.0		48.5
Old roosters:								
Light.....		Under 3¾.....		36.0		37.0		37.5
Heavy.....		3¾ and over.....		36.5		37.5		38.0

(Paragraph (a) added by amendment 8, 8 F.R. 5408, effective 4-22-43.)

(ii) Grade "B" poultry items: All Grade "B" poultry items, except Grade "B" dressed-duck items, shall be 1½ cents per pound less in price than the corresponding Grade "A" poultry items listed above. All Grade "B" dressed-duck items shall be the same price as Grade "A" duck items.

(Paragraph (ii) as amended by Amendment 8, 8 F. R. 5408, effective 4-22-43)

(iii) Grade "C" poultry items: All Grade "C" poultry items shall be 4 cents per lb. less in price than the corresponding Grade "A" poultry items listed above.

(iv) Monthly adjustments in base prices for dressed, drawn, and quick-frozen eviscerated turkey items: The above prices for dressed, drawn, and quick-frozen eviscerated turkey items shall be in force for the months of November, December, and January. For the remaining months of the year the following additions shall be made to each of the above prices for dressed, drawn, and quick-frozen eviscerated turkey items:

	Cents per pound
February-----	½
March-----	1
April-----	1½
May-----	2
June-----	2½
July-----	3
August-----	3½
September-----	3
October-----	1

(Paragraph (iv) as amended by Amendment 13, 8 F. R. 11691, effective 8-21-43)

(2) Application of prices for drawn poultry: The prices established for drawn poultry items in Table A of this section shall apply only when the following requirements are complied with:

(i) Each drawn poultry item must be in "whole carcass", or "split carcass", or "quarter carcass" form when delivered to the purchaser.

(a) "Split carcass" poultry means drawn poultry which has been cut into halves by splitting the bird down the back, so that each half contains approximately equal and as far as possible, equivalent parts of the bird.

(b) "Quarter carcass" poultry means "split carcass" poultry each half of which has been divided into two parts, so that one part includes the back, thigh, and drum-stick, while the other part includes the breast and the wing.

(ii) Each drawn poultry item must be sold and delivered to retailers or ultimate consumers located within a radius of 50 miles from the point of slaughter of such drawn poultry item.

In all other cases, purchases and sales of drawn poultry items shall be made at prices not exceeding those established for the corresponding dressed poultry items in Table A of this section.

(Paragraph (2) as amended by Amendment 16, effective 10-11-43)

(3) Prices for hard scalded poultry: Poultry other than ducks and geese subjected to water for dressing at a temperature higher than 135 degrees Fahrenheit shall be eligible for Grade "B" and Grade "C" classification only, and shall be sold at prices no higher than those established for Grade "B" and Grade "C" dressed poultry items in Table A of this section.

(4) Application of prices for "kosher-killed" and "kosher-dressed-and-plucked" poultry items: The prices established for "kosher-killed" and "kosher-dressed-and-plucked" poultry items in Table A of this section shall apply only when such "kosher-killed" and "kosher-dressed-and-plucked" poultry items are sold to a "bona fide buyer" of "kosher-killed" and "kosher-dressed-and-

plucked" poultry located within a radius of 50 miles from the point of slaughter. In all other cases purchases and sales of "kosher-killed" and "kosher-dressed-and-plucked" poultry items shall be made at a discount of 1 cent per pound below the maximum base prices established for such "kosher-killed" and "kosher-dressed-and-plucked" poultry items in Table A of this section.

(Paragraphs (3) and (4) as amended by Amendment 14, 8 F. R. 13302, effective 10-12-43)

(5) Application of prices for all poultry items in packaged form: The maximum base prices established for dressed, drawn, and quick-frozen eviscerated poultry in Table A of this section may be charged only when such poultry is sold in box-packed or barrel-packed form: *Provided, That:* All "wholesalers" and "hotel supply houses" may sell less than wholesale quantities of dressed, drawn, and quick-frozen eviscerated poultry in loose form to retailers, hotels, restaurants, clubs, dining cars, steamship companies, or institutional users, at the maximum base prices established for such poultry in Table A of this section, plus the permitted increases established in Table B of § 1429.21 of this regulation. In all other cases all dressed, drawn, and quick-frozen eviscerated poultry sold in loose form shall be sold at a discount of one cent per pound below the maximum base prices established for such poultry in Table A of this section.

No additional charge shall be added to the prices established for all poultry items in Table A of this section for the wrapping, packaging, or boxing of such poultry items.

(Paragraph (5) as amended by Amendment 10, 8 F. R. 9061, effective 7-6-43)

(6) Calculation of prices: In calculating maximum prices per pound basis in this section, and in §§ 1429.20, 1429.21, and 1429.22 herein, all calculations shall be carried to the fourth decimal place. Final calculations of a maximum price resulting in a fraction of a cent per pound shall be adjusted to the nearest ¼¢ per pound.

(i) Definitions of terms used in this section: (1) "Poultry" means all broilers, fryers, roasters, fowl, stags, capons, old roosters, turkeys, ducks, and geese, including live, dressed, drawn, eviscerated, and all other forms of the foregoing when sold for human consumption: *Provided, however,* That this regulation shall not apply to poultry when in the canned form, and poultry exempted in § 1429.2 above. Poultry in the canned form is covered in the General Maximum Price Regulation, as amended.

(2) "Dressed poultry" means poultry which has been killed, bled, and plucked without regard to the method of plucking or finishing. Poultry items which have been killed, but not bled and plucked, shall be sold at prices not exceeding those established for the corresponding live poultry items in Table A of this section.

(Paragraph (2) as amended by Amendment 16, effective 10-11-43)

(3) "Drawn poultry" means dressed poultry which has been drawn in accordance with the following requirements:

(i) The head, shanks, crop, windpipe, esophagus, and entrails of each bird must be wholly removed without contamination of the body cavity. The shanks of each bird must be removed at the hock joint.

(ii) The gizzard of each bird must be cleaned by removing the contents and lining, the cleaned gizzard and heart and liver then being included with the carcass.

Dressed poultry items not drawn as herein described shall be sold at prices not exceeding those established for the corresponding dressed poultry items in Table A of this section.

(Paragraph (3) amended by Amendment 8, 8 F. R. 5408, effective 4-22-43 and Amendment 16, effective 10-11-43)

(4) "Quick-frozen eviscerated poultry" means "dressed poultry" which is eviscerated and quick-frozen in accordance with the following requirements:

(i) Each poultry item must be fresh-dressed at the time of its evisceration. No "dressed poultry" item shall be considered fresh-dressed if it has been held in storage for more than sixty days after the date of its slaughter, or if it has developed any appearance of cold storage stock, or if it shows evidence of deterioration from freezing.

(ii) Each poultry item must be eviscerated under the supervision of a federal inspector present at all stages of evisceration.

(iii) The exterior of each bird must be singed.

(iv) The head, shanks, crop, windpipe, esophagus, entrails, gall bladder, lungs, kidneys, and oil sac of each bird must be wholly removed. The shanks of each bird must be removed at the hock joint.

(v) The giblets of each bird must be removed, cleaned, wrapped in water resistant paper, and replaced.

(vi) The carcass and giblets of each bird must be subjected to a cleansing process which makes such bird ready to cook.

(vii) The carcass and giblets of each bird, whether in whole, split, or dismembered form must be weighed before being packaged or frozen, and then must be individually packaged in water resistant paper or cartons, one bird to one package, with the weight of each bird marked or printed on the exterior of each package, and with the following legend printed or attached to the exterior of each package:

UNITED STATES INSPECTED QUICK-FROZEN
EVISPERATED POULTRY

Inspected and certified by the U. S. Department of Agriculture at Plant No. — (Food Distribution Administration Registry No.).

(viii) Each bird must be placed into a quick-freezing chamber carrying a temperature below zero degrees Fahrenheit within six hours after the evisceration of such bird, and must be kept in such quick-freezing chamber until quick-frozen solid. No bird shall be considered quick-frozen if it is not frozen solid within eighteen hours after being placed into a quick-freezing chamber.

(ix) After quick-freezing, each bird must be kept at a temperature which will preserve the bird in hard-frozen condition until it is delivered to the purchaser. Each bird must also be delivered to the purchaser in the unopened package in which it was originally packaged at the time of its evisceration.

(x) The prices established for "quick-frozen eviscerated poultry" items in Table A of this section shall apply only when such "quick-frozen eviscerated poultry" items completely meet the requirements listed in this definition. In all other cases purchases and sales of "quick-frozen eviscerated poultry" items shall be made at prices not exceeding those established for the corresponding "drawn" poultry items in Table A of this section.

(Paragraph (4) amended by Amendment 8, 8 F. R. 5408, effective 4-22-43 and Amendment 14, 8 F. R. 13302, effective 10-12-43)

(5) "Kosher-killed poultry" means poultry which:

(i) Has been killed and bled in accordance with the requirements of the Hebraic dietary laws; and

(ii) Is identified as kosher-killed by a stamp or tag on each bird.

(6) "Kosher-dressed-and-plucked poultry" means poultry which:

(i) Has been killed, bled, and dry-plucked in accordance with the requirements of the Hebraic dietary laws; and

(ii) Is identified as kosher-killed by a stamp or tag on each bird.

(7) "Bona fide buyer of kosher-killed and kosher-dressed-and-plucked poultry" means a person who maintains a selling establishment at or through which he regularly and generally sells kosher poultry as such, or a person who is a purveyor of kosher meals.

(8) "Split poultry" means drawn poultry which has been cut into halves, each half containing approximately equal and as far as possible, equivalent parts of the bird.

(9) "Cut-up poultry" means drawn poultry, the carcass of which has been dismembered or cut into portions.

(j) Species, age, and sex specifications for items listed in Table A: Species, age, and sex specifications promulgated by the United States Department of Agriculture in the publications listed immediately below shall be used as the species, age, and sex specifications for all poultry items listed in Table A of this section.

Tentative U. S. Standards for Classes and Grades for Dressed Turkeys.

Classification and Tentative Specifications for U. S. Standards and Grades for Dressed Chickens.

Tentative Specifications for U. S. Standards and Grades for Dressed Ducks, Geese, Guineas, and Squabs.

Tentative U. S. Standards for Grades for Live Poultry.

(k) Application of grade specifications for items listed in Table A—(1) Dressed turkeys: The Tentative U. S. Standards for Classes and Grades for Dressed Turkeys now in effect shall apply to all sales, purchases, or deliveries of dressed turkeys covered herein. Revisions promulgated by the U. S. Department of Agriculture shall become concurrently effective for the purposes of this regulation for stock packed after the issuance of such revisions.

(2) Dressed poultry other than turkeys: (i) Until June 30, 1943, commercial standards now commonly accepted by the trade for classes and grades of dressed poultry, other than turkeys, shall apply to all sales, purchases, or deliveries of dressed, drawn, and eviscerated poultry, other than turkeys, processed and packed before February 28, 1943, as follows:

(a) All dressed, drawn, and eviscerated poultry, whether dry or ice-packed, commonly accepted by the trade as top and premium packs shall be sold, purchased, or delivered at prices not to exceed those specified for Grade "A" poultry in Table A of this section.

(b) All dressed, drawn, and eviscerated poultry, whether dry or ice-packed, commonly accepted by the trade as second grade or choice poultry shall be sold, purchased, or delivered at prices not to exceed those specified for Grade "B" poultry in Table A of this section.

(c) All dressed, drawn, and eviscerated poultry, whether dry or ice-packed, commonly accepted by the trade as bottom or third grade poultry, shall be sold, purchased, or delivered at prices not to exceed those specified for Grade "C" poultry in Table A of this section.

(ii) The tentative grade specifications for dressed poultry as promulgated or revised by the United States Department of Agriculture shall apply to all sales, purchases, or deliveries of all dressed, drawn, and eviscerated poultry, other than turkeys, processed and packed after February 28, 1943.

(iii) After June 30, 1943, the tentative grade specifications for dressed poultry as promulgated or revised by the United States Department of Agriculture shall apply to all sales, purchases, or deliveries of all dressed, drawn, and eviscerated poultry, other than turkeys, regardless of the date when such poultry was processed and packed.

(Paragraph (iii) as amended by amendment 14, 8 F. R. 13302, effective 10-12-43)

(§ 1429.19 amended by amendment 6, 8 F. R. 3316, effective 3-20-43)

§ 1429.20 Application of maximum base prices: The maximum base prices for poultry items established in § 1429.19 of this regulation apply to all persons purchasing or selling or delivering such poultry items as follows:

(a) The maximum base price for live poultry items shall be the maximum base price at the place where the seller parts with physical possession of such live poultry items. The weight of such live poultry items shall be determined at the time when the seller parts with physical possession.

EXAMPLE: A trucker purchases 100 live broilers from a producer; the trucker takes physical possession of the broilers at the producer's place of business which is in an unincorporated area, and loads the live broilers onto his truck. The maximum base price which the producer may charge and which the trucker may pay is the maximum base price established for the producer's place of business, which is the same as that established for the city, town, village, or hamlet nearest such unincorporated area.

The same trucker hauls the live broilers to the county seat for sale at the local market. Here he has his broilers auctioned off to buyers from Pittsburgh, Cleveland, and Detroit. These buyers load the broilers onto their trucks immediately after the auction. The trucker's maximum base price is the maximum base price established for the local market.

A trucker, or farmer, or shipper receives a telephone call from a New York wholesaler ordering 10,000 pounds of fryers. The live fryers are loaded onto the seller's trucks and hauled to the nearest railroad station, where the birds are then loaded onto a freight car. The maximum base price for such a sale is the maximum base price established for the city, town, village, or hamlet in which the railroad freight station is located.

(b) The maximum base price for dressed poultry items shall be the maximum base price at the seller's shipping point in the following instances:

(1) All sales by "wholesalers" as hereinafter defined in § 1429.21, in quantities of less than 10,000 pounds to any type of buyer.

(2) All sales to the United States Government or any agency thereof by any type of seller.

(3) All sales by a producer or processing plant at retail to an ultimate consumer other than a commercial, institutional, industrial, or governmental user.

(c) In all other cases, the maximum base price for dressed poultry items shall be the maximum base price at the buyer's customary receiving point. All sales of dressed poultry, other than those specified in paragraph (b) immediately above, shall be made on the basis of delivery to the buyer's customary receiving point, and the maximum base prices established for those places where the seller's shipping points are located shall not be applicable in such sales.

(1) Where any person purchases any dressed poultry item at one place for shipment or reshipment to another place, his customary receiving point shall be the place where shipment ends and not the place where shipment begins.

(2) All f. o. b. prices for dressed poultry sales, other than those specified in paragraph (b) immediately above, shall be calculated in relationship to the maximum base prices at the buyer's customary receiving point. Where any person purchases or sells any dressed poultry item at one place for shipment to another place at a price f. o. b.

the seller's shipping point, he shall calculate his maximum f. o. b. price as follows:

(i) He shall first determine the maximum base price for such poultry item at the place to which it will be shipped; and

(ii) He shall then subtract from such base price his "freight rate" from the place where shipment begins to the place where shipment ends, and the difference so obtained shall be his maximum selling f. o. b. price for such poultry item.

(3) Except as provided for in paragraph (b) of this section, where any person purchases any dressed poultry item at one place for shipment or reshipment to another place, and at the time of purchase does not know the exact location of the place to which shipment shall be made, he shall purchase on an open price basis until such time as he ascertains the location of the place to which shipment shall be made, and thereafter shall calculate his maximum purchase price, as follows:

(i) He shall first determine the maximum base price for such poultry item at the place to which it will be shipped; and

(ii) He shall then subtract from such base price his "freight rate" from the place where shipment begins to the place where shipment ends, and the difference so obtained shall be his maximum purchase price for such poultry item.

Provided, That nothing in this subparagraph (3) shall prevent any purchaser from making part payment for such poultry item in an amount not to exceed 85 percent of the maximum base price for such poultry item at the seller's shipping point at any time before such purchaser ascertains the location of the place to which shipment shall be made.

(d) The following exceptions are provided to paragraph (c) of this section:

(1) [Revoked]

(Paragraph (1) revoked by Amendment 11, 8 F. R. 9299, effective 7-10-43)

(2) For a period of 69 days, to and including the 30th day of June 1943, any person in the State of Utah may sell and deliver any poultry item produced in the State of Utah to any "wholesaler," individual retail store, or ultimate consumer including commercial, industrial, institutional, or governmental users, located at any place in the States of Idaho, Montana, and Wyoming, at the seller's maximum base price f. o. b. his shipping point without subtracting his "freight rate" from the place where shipment begins to the place where shipment ends:

Provided, That:

(i) The poultry items sold must be destined exclusively for ultimate consumption at any place in the States of Idaho, Montana, and Wyoming.

(e) The maximum base prices for poultry items established in § 1429.19 of this regulation are the maximum base prices to which the specified permitted increase listed in § 1429.21 below may be added.

(§ 1429.20 amended by Amendment 8, 8 F. R. 5408, effective 4-22-43)

§ 1429.21 Permitted increases to maximum base prices—(a) Permitted increases which may be added to maximum base prices—(1) Permitted increase for transporting live poultry: (i) Any person who transports live poultry items for a distance of more than 30 miles to any city, town, or village where such poultry items are destined for ultimate consumption, may sell or deliver such live poultry items to any "wholesaler," individual retail store, or any ultimate consumer, including commercial, industrial, institutional, or governmental users, located in such city, town, or village, at the maximum base price established for such city, town, or village in § 1429.19 (h) (1) Table A, of this regulation,

plus the following permitted increases in cents per pound:

Shortest distance in road miles or railroad miles from the place where transport of live poultry begins to place where such transport ends:	Maximum permitted increase in cents per pound
Less than 30 miles.....	No increase.
30 to 50 miles.....	$\frac{3}{4}$ cent.
50 to 100 miles.....	1 cent.
100 to 150 miles.....	$1\frac{1}{4}$ cents.
150 to 200 miles.....	$1\frac{1}{2}$ cents.
200 to 250 miles.....	$1\frac{3}{4}$ cents.
250 to 300 miles.....	2 cents.
300 miles and over.....	2 cents.

(ii) Only one permitted increase for transporting live poultry items may be added to the maximum base price for such live poultry items at any city, town, or village where such live poultry items are destined for ultimate consumption. Permitted increases for transporting live poultry items may not be added cumulatively.

(iii) Examples: (a) A Delaware producer hauls a truckload of live broilers 35 miles to Wilmington, where he sells the entire load to a trucker who will haul them alive to New York. Question: May the producer add the permitted increase of $\frac{3}{4}$ cent per pound to the maximum base price for live broilers in Wilmington?

Answer: No, because Wilmington is not the city where the broilers are destined for ultimate consumption. Furthermore, the trucker does not fall within the class of buyers who may be charged with the permitted increase.

(b) A trucker hauls a truckload of live poultry 60 miles to a country dressing plant. He offers this truckload of live poultry for sale at the maximum base price at the country dressing plant plus 1 cent per pound for hauling. Question: May the trucker charge the 1 cent permitted increase?

Answer: No, because the country dressing plant is not the place where the poultry is destined for ultimate consumption. Furthermore, the country dressing plant does not fall within the class of buyers who may be charged with the permitted increase.

(c) A trucker hauls a truckload of live poultry 500 miles to New York City. He sells this truckload to a New York City "wholesaler" who resells such live poultry to New York City retailers.

Question: May the trucker add the 2 cent permitted increase to his maximum base price for the live poultry in New York City?

Answer: Yes, because he is selling the live poultry in the city where the poultry is destined for ultimate consumption, and because he is selling to a "wholesaler".

(d) A trucker hauls a truckload of live poultry 500 miles to Chicago, Illinois. He sells this truckload to a Chicago processing plant which does not qualify as a "wholesaler" under the definition of § 1429.21 (b) (5) of this regulation. This processing plant will convert the live poultry into dressed birds, some of which it will sell for ultimate consumption in Chicago, and most of which it will export out of the city. Question: May the trucker add the 2 cent permitted increase to his maximum base price for the live poultry in Chicago?

Answer: No; because he is selling to a processing plant which does not fall within the class of buyers who may be charged with the permitted increase, and because Chicago is not the city where most of the live poultry will be ultimately consumed.

(e) A trucker hauls a truckload of live poultry 500 miles to Chicago, Illinois. He sells this truckload to a Chicago "wholesaler," who will convert the live poultry into dressed birds, most of which he will sell for ultimate consumption in Chicago, and some of which

he will export out of the city. Question: May the trucker add the 2-cent permitted increase to his maximum base price for the live poultry in Chicago?

Answer: Yes; because he is selling to a "wholesaler" who is processing most of the live poultry for ultimate consumption in Chicago. When any live poultry items are purchased by a processing plant which also qualifies as a "wholesaler" it will be assumed that such live poultry items are being purchased for ultimate consumption in the city where the "wholesaler" is located.

(f) A trucker hauls a truckload of live poultry 500 miles to Chicago, Illinois. He sells this truckload to a Chicago "wholesaler," who will convert all the live poultry into dressed birds to be sold for ultimate consumption in Chicago. The Chicago "wholesaler" pays the trucker the maximum base price for the live poultry in Chicago plus the 2-cent permitted increase for hauling. Question: May the Chicago "wholesaler" add the 2-cent permitted increase paid out by him to the trucker, to the maximum base price for dressed poultry items in Chicago, when he sells such dressed poultry items?

Answer: No. The permitted increase for transporting live poultry items may never be added to the maximum base price for dressed poultry items, notwithstanding the fact that the person selling such dressed poultry items may have originally paid such permitted increase to a transporter of live poultry.

(2) Other permitted increases to maximum base prices: (i) Any person who makes any one of the following-described sales of poultry items may add the increase indicated below for such sale to the maximum base price indicated below for such sale in order to determine his maximum selling price. No person may add more than one permitted increase to any maximum base price.

(Paragraph (a) as amended by amendment 8, 8 F. R. 5408, effective 4-22-43)

TABLE B.—Maximum permitted increases for sales of poultry items

Seller and type of sale made	Buyer	Quantity and form of sale	Item sold	Base price to which increase is added	Maximum increase in cents per pound for "wholesaler" and "hotel supply house" only		
					Non-delivered sales	Delivered within 25 miles	Delivered beyond 25 miles
(1) All "wholesalers".....	Any type of buyer.....	Less than 10,000 pounds.	Any poultry item.....	Maximum base price at seller's shipping point.	Cents 1½	Cents 1¾	Cents 2
(1a) All "wholesalers" who buy and sell live poultry items, and who have either transported such live poultry items to their place of business, or else have paid out a permitted increase to a live poultry transporter for transporting such live poultry items to their place of business.	All "wholesalers," individual retail stores, or commercial, industrial, or governmental users located in the same metropolitan area where the seller maintains his place of business.	Less than 10,000 pounds.	Any live poultry item.....	Maximum base price at seller's shipping point, plus permitted increase established for actual distance live poultry was transported to seller's place of business, in a sum not to exceed 2 cents per pound.	1½	1¾	2
(2) [Revoked by Amendment 15.]							
(3) [Revoked by Amendment 15.]							
(4) "Hotel Supply Houses" making "Special Service Sales."	Hotels, restaurants, clubs, dining cars, steamship lines, or institutional users.	Less than 10,000 pounds.	Any dressed poultry item.	Maximum base price at seller's shipping point.	3¼	3½	3¾
(5) Any type of seller.....	Retailers or commercial, industrial, institutional, or "Non-Federal Governmental" users.	More than 14,000 lbs. in "selected classes".	Any dressed poultry item.	Maximum base price at buyer's customary receiving point.	Maximum increase in cents per pound for any type of seller for items delivered at buyer's customary receiving point		
(6) Any type of seller.....	U. S. Government or any agency thereof.	Any quantity.....	Any poultry item.....	Maximum base price at seller's shipping point.	¼ cent.		
					¼ cent plus—Lowest "freight rate" from seller's shipping point to buyer's customary receiving point in cents per pound. If shipments are made in less-than-carlot quantities seller may add lowest actual freight rate from seller's shipping point to buyer's customary receiving point in cents per pound, instead of lowest "freight rate".		

TABLE B.—Maximum permitted increase for sales of poultry items—Continued

Seller and type of sale made	Buyer	Quantity and form of sale	Item sold	Base price to which increase is added	Maximum increase in cents per pound for any type of seller for items delivered at buyer's customary receiving point
(7) Any type of seller.....	United States Government or any agency thereof.	More than 14,000 lbs. in "selected classes."	Any dressed poultry item.	Maximum base price at seller's shipping point.	¾ cent plus—Lowest "freight rate" from seller's shipping point to buyer's customary receiving point in cents per pound. If shipments are made in less than carlot quantities seller may add lowest actual freight rate from seller's shipping point to buyer's customary receiving point in cents per pound, instead of lowest "freight rate".
(8) Producers or processing plants only who customarily sell in less than wholesale quantities.	Individual retail stores or commercial, industrial, institutional, or governmental users.	Less than wholesale quantities.	Any poultry item.....	Maximum base price at buyer's customary receiving point.	1½ cents.

(Table B amended by Amendment 8, 8 F. R. 5408, effective 4-22-43; Amendment 10, 8 F. R. 9061, effective 7-6-43, and Amendment 15, 8 F. R. 13303, effective 10-4-43.)

(b) Definitions of terms used in table B:
(1) All definitions listed in section 1429.19 (i) above for the terms used in table A shall apply to the same terms when used in table B.

(2) "Producer" means any person who grows or raises live poultry on a farm or farms operated by or for him.

(3) "Processing plant" means any business establishment which is engaged primarily in the business of converting live poultry into dressed, drawn, or quick-frozen eviscerated poultry. "Processing plant" does not mean any person who is engaged primarily in the distribution of poultry at wholesale or at retail, and who in the course of such distribution incidentally converts live birds into dressed, drawn, or eviscerated birds, or dressed birds into drawn or eviscerated birds.

(4) "Wholesale quantities" means lots of 3,000 pounds or more of live or dressed turkeys, or lots of 1,000 pounds or more of other live or dressed poultry.

(5) "Wholesalers" means any person who possesses all of the following characteristics:

(i) He must customarily receive, or purchase and receive poultry items in wholesale quantities.

(ii) He must maintain at the particular place where he is located a business establishment where he receives and stocks poultry items, where he employs a personnel which physically handles and distributes such poultry items, and from which he sells or distributes such poultry items.

(iii) He must customarily sell or distribute poultry items in quantity lots which are smaller than his purchases or receipts; to: intermediate wholesalers, or retailers, or institutional, industrial, commercial, or governmental users.

(iv) He must customarily sell or distribute at least 75 percent of his dollar volume of poultry items, exclusive of sales to the United States Government or agency thereof, for ultimate consumption within a radius of 100 miles from his place of business: *Provided*, That if he maintains his business establishment at any place in the States of Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Nevada, California, Oregon, and Washington, he must customarily sell or distribute at least 75 percent of his dollar volume of poultry items, exclusive of sales to the United States Government or agency thereof, for ultimate consumption within a radius of 200 miles from his place of business.

(Paragraph (iv) as amended by Amendment 8, 8 F. R. 5408, effective 4-22-43)

(6) "Hotel supply house" means any person who sells or distributes 90% or more of his dollar volume of poultry items to hotels, restaurants, clubs, dining cars, steamship companies, and institutional users, and who for a period of at least twelve months prior to March 1st, 1943, sold or distributed

90% or more of his dollar volume of poultry items to hotels, restaurants, clubs, dining cars, steamship companies, and institutional users.

(7) "Special service sale" is a sale of any dressed poultry item made by a "wholesaler" or a "hotel supply house" to a hotel, restaurant, club, dining car, steamship company, or institutional use, wherein the "wholesaler" or the "hotel supply house" performs the additional service of removing poultry from the wholesale packages, regrading poultry to more uniform grades and sizes than those required by wholesale grades, and selling in less than wholesale package lots.

(8) "Selected classes" means a 14,000-pound or larger assortment of dressed poultry, 95 percent of which consists of no more than three dressed "poultry classes", and all of which is packed into one truck or into one freight car.

"Poultry class" means poultry of one type, one grade, and one uniform weight. Poultry shall be deemed to be of one uniform weight when the range in weight from the highest to the heaviest bird in the class does not exceed:

(i) Three pounds in the case of turkeys.

(ii) One pound in the case of capons.

(iii) One-half pound in the case of fowl, broilers, fryers, roasters, and stags.

(iv) Any number of pounds in the case of other types of poultry.

(9) "Shipping point" means that place in the seller's business establishment from which shipments or deliveries of poultry items are made. In the case of nondelivered sales, "shipping point" means that place in the seller's business establishment where the buyer calls for and receives his purchases of poultry items.

(§ 1429.21 amended by Amendment 6, 8 F. R. 3316, effective 3-20-43)

§ 1429.22. Maximum prices for poultry items when sold by producers or processing plants at retail: (a) The maximum prices for the sales and deliveries of poultry items when sold by producers or processing plants at retail—that is, to an ultimate consumer other than a commercial, institutional, industrial, or governmental user, shall be calculated as follows:

(1) The seller shall add 1½¢ per pound to the maximum base price at his shipping point for any poultry item, and shall multiply the sum so obtained by 1.20, and the product of such multiplication shall be his maximum selling price for such poultry item: *Provided*, That in cases of mail order sales the seller may add to such maximum selling price his actual express or mailing expense to the buyer's receiving point.

(§ 1429.22 as amended by Amendment 6, 8 F. R. 3316, effective 3-20-43)

§ 1429.23. Relief from extreme hardship in certain cases: (a) Any person who purchased for resale any dressed or quick-

frozen eviscerated turkey item during the period November 9, 1942, to December 18, 1942, inclusive, and retains such turkey item in his possession upon the date of issuance of this amendment may, if he believes that resale of such turkey items remaining in his possession at prices within the maximum prices established by this amendment will impose unreasonable and extreme hardship upon him, apply in writing to the Regional Administrator having jurisdiction of the area in which such person's place of business is located for an adjustment of the maximum prices at which he may sell such turkey items.

(b) Such application to the Regional Administrator shall contain the following:

(1) Applicant's name and address.

(2) The date(s) of purchase by applicant.

(3) The name(s) and address(es) of seller(s) to applicant.

(4) The quantities, grades, and weight classes of the turkey items bought by applicant during such period, and the prices paid.

(5) The time(s) of delivery of such turkey items.

(6) The quantities, grades, weight classes, and number of head of such turkey items remaining in applicant's possession and their location on the date of the application.

(7) The quantities, grades, weight classes, and number of head proposed to be sold by the applicant.

(8) The name(s) and address(es) of the proposed purchaser(s).

(9) The prices proposed to be paid and received for such turkey items.

(10) The facts constituting unreasonable and extreme hardship.

Upon consideration of such application, the Regional Administrator may grant in writing an adjustment of the maximum prices of such turkey items for the particular sale(s): *Provided*, That such maximum prices shall not exceed the maximum prices permitted under applicable maximum price regulations at the time the applicant received possession of the turkey items, to which may be added the monthly adjustments provided in § 1429.19 (h) (1) (iv).

(§ 1429.23 added by amendment 8, 8 F. R. 5408, effective 4-22-43)

(§ 1429.23 added by amendment 8, 8 F. R. items requisitioned or purchased by the United States Government or any agency thereof: (a) If the United States Government or any agency thereof requisitions or purchases any of the poultry items specified in Table A of § 1429.19 of this regulation from a truck, freight car, or any other carrier, irrespective of the fact that such truck, freight car or carrier is in transit or at stoppage it shall pay no more than the maximum base price established for such poultry item at the place where the requisitioning or transfer of physical possession of such poultry

try item occurs, plus a sum not in excess of one cent per pound.

(b) The weight of any poultry item requisitioned or purchased by the United States Government or any agency thereof from a truck, freight car, or any other carrier, shall be determined at the time and place where the requisitioning or transfer of physical possession of such poultry item occurs: *Provided*, That, if the United States Government or any agency thereof believes it is impracticable for it to determine the weight of such poultry item at the time and place where the requisitioning or transfer of physical possession occurs, then such poultry item shall be transported immediately to the nearest available weighing station, and its weight shall there be determined as soon as possible.

§ 1429.25 Sale of poultry items requisitioned or purchased by the United States Government or any agency thereof: (a) Whenever the United States Government or any agency thereof finds it necessary to sell any poultry item which it requisitioned or purchased pursuant to the provisions of this regulation, it may sell such poultry item, and any person may purchase such poultry item at a price not in excess of the price which the United States Government or any agency thereof paid for such poultry item pursuant to the provisions of this regulation.

§ 1429.26 Service charge for the processing of poultry items owned by the United States Government or any agency thereof: (a) Any person who converts any of the live poultry items specified in Table A of § 1429.19 of this regulation into a dressed poultry item may charge as compensation for his services a sum not in excess of the differential between the maximum base price established in Table A of § 1429.19 of this regulation for such live poultry item and the maximum base price established in such Table A for the corresponding dressed poultry item into which the live poultry item is converted: *Provided*, That, such poultry is and remains the property of the United States Government or any agency thereof.

(§§ 1429.24, 1429.25, and 1429.26 added by Amendment 12, 8. F.R. 10940, effective 8-4-43)

Issued this 6th day of October 1943.

PRENTISS M. BROWN,

Administrator.

Approved by War Food Administrator as to agricultural commodities only.

RMPR 269, AMENDMENT 25, FEBRUARY 15, 1944 (ERRATUM SHEET)

OFFICE OF PRICE ADMINISTRATION

Erratum sheet

(Document No. 28026)

PART 1429—POULTRY AND EGGS

[RMPR 269, Amdt. 25]

POULTRY

In the printed copy of the above described document, the following error appears:

In Temporary Table A-1, a box heading reading "Raw or rendered poultry fat" should appear in the first column immediately preceding the item "Raw poultry fat."

RMPR 269, AMENDMENT 26, MARCH 23, 1944

OFFICE OF PRICE ADMINISTRATION

(Document No. 29145)

PART 1429—POULTRY AND EGGS

[RMPR 269, Amdt. 26]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

* 7 F.R. 10708, 10864, 11118; 8 F.R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13802, 13303, 13813, 14016, 14845, 15258, 15190, 16793.

* Copies may be obtained from the Office of Price Administration.

Section 1429.14 (f) is added to read as follows:

(f) Regional establishment of local maximum base prices for special forms of processed poultry: (1) Each Regional Administrator of the Office of Price Administration is authorized to establish a maximum base price for any special form of processed poultry prepared in a manner separate and distinct from any of the following forms—dressed, Kosher-killed, Kosher-dressed and plucked, drawn, and frozen-eviscerated—where it appears that:

(i) Such special form of processed poultry has customarily been marketed in any locality in his region in substantial quantities for a period of twelve months prior to December 18, 1942; and

(ii) Such special form of processed poultry is prepared to meet the racial, religious, or traditional eating habits of the populace in that locality where it is marketed; and

(iii) By reason of marked preference of a substantial segment of the local consuming public, no other form of processed poultry can adequately be substituted for such special form; and

(iv) Those persons who have customarily prepared and marketed such special form of processed poultry will sustain undue hardship unless a maximum base price is established for such special form of processed poultry.

(2) The powers delegated to each Regional Administrator of the Office of Price Administration in subparagraph (1) immediately above, are subject to the following limitations:

(i) Any action taken by the Regional Administrator shall restrict the applicability of the maximum base price adopted for any special form of processed poultry to those persons who engaged, as a usual practice during the December 1, 1941, to December 1, 1942, period, in processing and selling poultry in the special form designated by the Regional Administrator.

(ii) No Regional Administrator may take any action which will create or tend to create a poultry shortage or need for increase in poultry prices in another locality, and which will nullify or defeat the purposes of the Emergency Price Control Act of 1942, as amended.

(iii) No Regional Administrator may establish a maximum base price for any special form of processed poultry which will exceed the actual cost involved in the processing and marketing of such form of poultry plus a generally fair and equitable margin of profit.

(iv) No Regional Administrator may establish a maximum base price for any special form of processed poultry which is so far out of relationship with the maximum base prices already established in this regulation for dressed, Kosher-killed, Kosher-dressed and plucked, drawn, and frozen-eviscerated poultry, as to disrupt or tend to disrupt the normal movement of such processed poultry in his region or in any other region in the United States of America.

(v) No maximum base price for any special form of processed poultry may be established by any Regional Administrator unless such proposed maximum base price has first been submitted in writing to the Price Executive of the Poultry, Eggs and Dairy Products Branch of the Food Price Division of the Office of Price Administration, and to the Division Counsel for Food of the Office of Price Administration, and has been approved in writing by such Price Executive and by such Division Counsel.

This amendment shall become effective March 29, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 23d day of March 1944.

CHESTER BOWLES,

Administrator.

STATEMENT OF CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT No. 26 TO REVISED MAXIMUM PRICE REGULATION No. 269

The accompanying Amendment No. 26 to Revised Maximum Price Regulation 269 delegates to each Regional Administrator power to establish for his region a maximum base price for any special form of processed poultry prepared in a manner separate and distinct from any of the types (dressed, kosher-killed, kosher-dressed and plucked, drawn, and frozen-eviscerated) recognized by the regulation. The authority of the Regional Administrator is, however, subject to a number of qualifying conditions, one of which requires approval of any action by the Price Executive of the Poultry, Eggs and Dairy Products Branch of the Food Price Division of the National Office and by the Division Counsel for Food of the National Office.

Revised Maximum Price Regulation 269 takes cognizance of, and provides a maximum base price for, the nationally recognized customary methods of processing poultry. It did not, however, prior to this amendment contain any provision for extending recognition to local variations of these national methods, no matter how well established in custom or how necessary to satisfy the racial, religious, or traditional eating habits of the local or regional populace. The accompanying amendment grants the Regional Administrator authority to provide a maximum base price for local customary methods of processing where it appears, among other things, that the price established for the special form of processed poultry is fair and equitable and that the action taken will not create or tend to create a poultry shortage or need for increase in prices in another locality and also will not disrupt or tend to disrupt the normal movement of processed poultry in any region of the United States. The Regional Administrator must also find that those persons who have customarily prepared and processed poultry in the manner being recognized would sustain undue hardship if the action contemplated were not to be taken.

The amendment also restricts the applicability of any order issued by the Regional Administrator under the provisions of the amendment to those poultry dealers who, as a usual practice during the December 1, 1941, to December 1, 1942, period, processed and sold poultry in the special form designated by the Regional Administrator. This provision is necessary to prevent disruption in normal poultry movements and to protect consumers of the nationally recognized processed poultry items. The amendment is intended only to permit a continuation of the racial, religious or traditional eating habits of a substantial segment of the populace of a locality and is not intended to provide an incentive for changes in customary methods of operation or for substantial increases in the amounts of poultry processed in the special manner. The Price Administrator finds that the restrictive provisions are necessary to prevent disruption in the normal and customary methods of processing poultry and doing business and are necessary also to prevent evasion and circumvention of the regulation.

Previous failure of this Office to recognize local customary methods of processing poultry based essentially upon religious, racial or traditional eating habits of the local area, has resulted in hardship not only for those dealers who normally engaged in that type of processing but also for elements of the local public, who because of racial, religious or traditional reasons had come to rely upon the availability of poultry processed in that manner. In some cases, hospitals and other institutions catering primarily to religious or racial groups have been handicapped in their efforts to serve poultry to patients by the disappearance of poultry processed in conformity with racial, religious or traditional requirements.

In the light of the foregoing considerations, it is the opinion of the Price Administrator that Amendment No. 26 to Revised Maximum Price Regulation 269 is generally fair and equitable and will effectuate the provisions of the Emergency Price Control Act of 1942, as amended, and Executive Orders 9250 and 9328.

Issued this 23d day of March 1944.

CHESTER BOWLES,
Administrator.

RMPR 269, AMENDMENT 27, MARCH 25, 1944.
OFFICE OF PRICE ADMINISTRATION

(Document No. 29461)

PART 1429—POULTRY AND EGGS

[RMPR 269, Amdt. 27]

POULTRY

A statement of the considerations involved in this issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation 269 is amended in the following respects:

1. Section 1429.19 (h) (1) (i) (c) is amended to read as follows:

(c) For a period of 30 days from March 26, 1944, the maximum base price for kosher-killed poultry items sold in the "New York metropolitan area"¹ shall be the maximum base price, as established by the other applicable provisions of this regulation, plus 1 cent per pound.

2. Section 1429.21 (a) (1) (i) (a) is added to read as follows:

(a) For a period of 30 days from March 26, 1944, any person who transports live poultry for a distance of 5 or more miles, to, and for ultimate consumption in, the "New York metropolitan area" may sell or deliver such live poultry items to any "wholesaler", individual retail store, or any ultimate consumer, including commercial, institutional or governmental users, located in the "New York metropolitan area" at the maximum base price established for such place in § 1429.19 (h) (1) Table A of this regulation plus, in lieu of the permitted increases provided by paragraph (a) (1) (i) of this section, the following permitted increases in cents per pound:

Shortest distance in road miles or railroad miles from place where transport of live poultry begins to place where such transport ends:	Maximum permitted increase in cents per pound
Less than 5 miles.....	No increase
5 to 25 miles.....	1 cent
25 to 50 miles.....	1½ cents
50 to 100 miles.....	2 cents
100 to 150 miles.....	2¼ cents
150 to 200 miles.....	2½ cents
200 to 250 miles.....	2¾ cents
250 or more miles.....	3 cents

3. The text of Item (1a) under the column entitled "Base price to which increase is added" of Table B in § 1429.21 (a) (2) (i) is amended to read as follows:

¹ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016, 15258, 14845, 15190, 16793.

² "New York metropolitan area" means the city of New York, New York, and the counties of Nassau, Suffolk, and Westchester in the State of New York and the counties of Essex, Hudson, and Union in the State of New Jersey.

*Copies may be obtained from the Office of Price Administration.

TABLE B.—Maximum permitted increases for sales of poultry items

	Base price to which increase is added
(1a) * * * *	Maximum base price at seller's shipping point, plus permitted increase established for actual distance live poultry was transported to seller's place of business, in a sum not to exceed 2¢ per lb., or, if the live poultry was transported into the N. Y. metropolitan area, in a sum not to exceed 3¢ per lb. for a period of 30 days from March 26, 1944.

¹ "New York metropolitan area" means the city of New York, New York, and the counties of Nassau, Suffolk and Westchester in the State of New York and the counties of Essex, Hudson, and Union in the State of New Jersey.

This amendment shall become effective March 25, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681)

Issued this 25th day of March 1944.

CHESTER BOWLES,
Administrator.

Approved: March 24, 1944.

MARVIN JONES,
War Food Administrator.

STATEMENT OF CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT NO. 27 TO REVISED MAXIMUM PRICE REGULATION NO. 269

The accompanying amendment No. 27 to Revised Maximum Price Regulation No. 269, merely continues in effect the provisions of Amendment No. 24 for an additional period of 30 days. These provisions were to expire on March 26, 1944, but by reason of the accompanying amendment remain effective until 30 days from March 26, 1944.

Reference is made to the statement of considerations involved in the issuance of Amendment No. 24 concerning the need and the reasons for the issuance of this amendment. The limitation of 60 days on the existence of Amendment No. 24 was believed to allow a sufficient length of time in which to alleviate an emergency situation in the New York market and to afford the Office of Price Administration an opportunity to consult with the poultry industry regarding the entire question of trucking allowances on live poultry. However, this Office now finds that the period of time allowed has not been sufficient adequately to present the problem to the industry and to obtain the industry's considered recommendations. For this reason the provisions of Amendment No. 14 are being continued for another 30 days by the accompanying amendment to Revised Maximum Price Regulation No. 269. The additional 30 days should enable the Office of Price Administration to analyze the effects of these provisions upon the entire country, and to enable this Office to determine finally whether the permitted increase should be extended to all or part of the country.

The action taken by this amendment was authorized by the Economic Stabilization Director prior to the time of issuance of, and for the reasons set forth in, the Statement of Considerations to Amendment No. 24.

In light of the foregoing considerations it is the judgment of the Price Administrator that the accompanying Amendment No. 27 to Revised Maximum Price Regulation No. 269, is generally fair and equitable and will

effectuate the purposes of the Emergency Price Control Act of 1942, as amended, and Executive Orders 9250 and 9328.

Issued this 25th day of March 1944.

CHESTER BOWLES,
Administrator.

RMPR 269, AMENDMENT 28, APRIL 21, 1944

OFFICE OF PRICE ADMINISTRATION

(Document No. 30492)

PART 1429—POULTRY AND EGGS

[MPR 269, Amdt. 28]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 1429.19 (h) (1) (iv) is amended to read as follows:

(iv) Monthly adjustments in base prices for live and processed poultry items: The above prices for live and processed poultry items shall be in force for the months of July, August, September, October, November, and December. For from April 21, 1944, to the end of June 1944, and for the months of January through June of succeeding years, the following additions shall be made to each of the above prices for live and processed poultry items:

Month:	Cents per pound
January.....	0.5
February.....	1.0
March.....	1.4
April.....	1.8
May.....	2.2
June.....	1.0

These additions shall not be added cumulatively, but, rather, each addition establishes the total amount which may be added for sales and deliveries during the month indicated.

This amendment shall become effective April 21, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681)

Issued this 21st day of April 1944.

CHESTER BOWLES,
Administrator.

Approved: April 18, 1944,

GROVER B. HILL,
Assistant War Food Administrator.

STATEMENT OF THE CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT NO. 28 TO REVISED MAXIMUM PRICE REGULATION NO. 269

The accompanying Amendment No. 28 to Revised Maximum Price Regulation 269 amends Section 1429.19 (h) (1) (iv) to provide that the monthly adjustments established therein be made applicable to the base prices for all the live and processed poultry items listed in Table A of the Section. Section 1429.19 (h) (1) (iv) formerly applied only to processed turkey items.

As a result of this Amendment No. 28 the following additions shall be made to each of the maximum base prices for all the live and

¹ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016.

*Copies may be obtained from the Office of Price Administration.

processed poultry items listed in Table A of Section 1429.19:

Month:	Cents per pound
January.....	0.5
February.....	1.0
March.....	1.4
April.....	1.8
May.....	2.2
June.....	1.0

No additions shall be made to the maximum base prices for live and processed poultry items during the months of July, August, September, October, November, and December.

It is estimated that the above additions to the maximum base prices for live and processed poultry items will cost the American consumer approximately two-thirds of one cent per pound for the entire year's consumption. In the aggregate this increase will total approximately \$5,000,000 for 1944.

Such increase in the cost of living to the American consumer has been authorized by the Economic Stabilization Director in order to encourage the storage of processed poultry for distribution during the months of short supply, and in order to encourage the production of live poultry for sale during such months. The Director has authorized the action at this stage of the present season on the basis of advice from the War Food Administration that it will encourage marketing during the months of May and June and that this is desirable from the point of view of food supply.

The history of price regulation of poultry during 1942 and 1943 has clearly demonstrated the fact that reserve stocks of poultry will not be held in storage for distribution during the months of short supply unless some definite provision is made for reimbursing the owner of such poultry for his actual storage costs.

It is the opinion of the Administrator that it is necessary to provide for the orderly distribution of poultry stocks during the months of short supply, and that the schedule of monthly additions to maximum base prices as established in section 1429.19 (h) (1) (iv) represents the most practicable and effective method available.

Insofar as these monthly additions apply to prices for processed poultry items, they tend to facilitate the storage of poultry from the surplus month of December through the critical months of January, February, March, April, and May.

Insofar as these monthly additions apply to prices for live poultry items, they tend to encourage the production of live poultry during the short supply months of January through May, and reestablish the historical seasonal relationship in live poultry prices, with a premium placed upon late winter and early spring production.

The following alternatives to the establishment of a schedule of monthly additions to the maximum base prices for live and dressed poultry items were considered by the Office of Price Administration and rejected:

The first alternative consisted of the proposal that the poultry industry voluntarily adopt certain economies in production and distribution so as to make the establishment of a schedule of monthly additions unnecessary. This alternative was rejected, because study of cost data submitted to the Office of Price Administration has demonstrated the fact that the maximum base prices now established for live and the various types of processed poultry items represent a necessary minimum.

The second alternative consisted of the proposal that prices for live and processed poultry items be reduced during the flush production months of September, October, November, and December, so as to enable the purchasers of poultry during such months to carry their stocks through to May. This alternative was rejected by the Office of Price Administration and by the Economic Stabili-

zation Director on the grounds that any reduction in the maximum base prices for live and processed poultry items would impede necessary poultry production in the United States.

The third alternative consisted of the proposal that a subsidy be established in an amount sufficient to indemnify the owners of stocks of processed poultry items for the costs sustained by them in holding such processed poultry in storage for distribution during the months of short supply. This alternative was rejected because of the administrative and practical difficulties involved.

In the light of the foregoing considerations, it is the judgment of the Price Administrator that the accompanying Amendment No. 28 to Revised Maximum Price Regulation 269 is fair and equitable and will effectuate the purpose of the Emergency Price Control Act of 1942, as amended, and Executive Orders No. 9250 and No. 9328.

Issued this 21st day of April 1944.

CHESTER BOWLES,
Administrator.

RMPR 269, AMENDMENT 25, FEBRUARY 15, 1944

OFFICE OF PRICE ADMINISTRATION

(Document No. 28026)

PART 1429—POULTRY AND EGGS

[RMPR 269, Amdt. 25]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation 269 is amended in the following respects:

1. Section 1429.19 (h) (1) (i) (a) is amended to read as follows:

(a) Temporary maximum base prices for poultry fat and for specific portions of "cut-up poultry" in the basing point cities: The following Temporary Table A-1 establishes temporary maximum base prices for raw and rendered poultry fat and for specific portions of "cut-up poultry." The maximum base prices established are for the poultry fat and the designated "cut-up poultry" items delivered to the buyer's customary receiving point at the basing point cities listed below. These prices may be revoked at any time.

Temporary Table A-1
[Prices in cents per pound]

Portions of "cut-up poultry"	Eastern Zone basing-point city	Western Zone basing-point cities		
	Chicago	New York	Pacific coast—Los Angeles, San Francisco, Seattle, and Portland	
Wings.....	28.9	29.9	30.4	
Legs.....	60.6	61.6	62.1	
Breast.....	60.6	61.6	62.1	
Back, neck, or skin.....	13.1	14.1	14.6	
Liver.....	68.1	69.1	69.6	
Gizzard or heart.....	128.9	129.9	130.4	
Raw poultry fat.....	53.0	54.0	54.5	
Government-inspected raw poultry fat.....	58.0	59.0	59.5	
Rendered poultry fat.....	72.5	73.5	74.0	
Government-inspected rendered poultry fat.....	77.5	78.5	79.0	

* If the gizzard is not cleaned by removing the contents and lining, the maximum base price shall be $\frac{1}{2}$ of the maximum base price for gizzards as established by this Temporary Table A-1.

¹ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016, 15258, 14845, 15190, 16793.

* Copies may be obtained from the Office of Price Administration.

2. Section 1429.19 (h) (1) (i) (c) is amended to read as follows:

(c) For a period of 60 days from January 26, 1944, the maximum base price for kosher-killed poultry items sold in the "New York metropolitan area"² shall be the maximum base price, as established by the other applicable provisions of this regulation, plus 1 cent per pound.

3. Section 1429.19 (h) (2) (ii) is amended to read as follows:

(ii) The neck and giblets may be included with and sold as part of either half of a "split carcass" poultry item or any quarter of a "quarter carcass" poultry item, or may be divided in any way among these portions.

4. Section 1429.19 (h) (2) (iii) is added to read as follows:

(iii) *Provided, however,* That "cut-up poultry" may be sold, at the prices established for, and in the portions designated in Temporary Table A-1 of this section.

5. Section 1429.19 (h) (2) (iv) is added to read as follows:

(iv) In all other cases, purchases and sales of drawn poultry items shall be made at prices not exceeding those established for the corresponding dressed poultry items in Table A of this section.

6. Section 1429.19 (i) (9) is amended to read as follows:

(9) "Cut-up poultry" means drawn Grade "A" broilers and fryers, not exceeding 2½ pounds in drawn weight, from which the oil sac, kidneys and lungs have been removed before weighing for sale and the carcass of which has been dismembered or cut into portions in accordance with the following requirements:

(i) The wings of each poultry item must be disjointed and removed at the socket joint adjoining the breast and must contain all the wing meat;

(ii) The legs must be disjointed and removed at the hock joint and at the hip joint and must contain the complete thigh, all thigh meat, and the oyster, but shall not contain the illium or the ischium bones, or any part thereof;

(iii) The breast must be removed from the back by cutting alongside the exterior of the oyster socket (illium) and through the ribs at the point the ribs connect with the spinal vertebrae. No part of the wings, legs, back and neck bones, skin or meat or the gizzard, heart, or any other portion not breast may be sold as breast;

(iv) The back must contain the neck, vertebrae, backbone, oyster socket (illium), the ischium, and the meat, skin, and bones of these parts.

7. Section 1429.19 (i) (10) is added to read as follows:

(10) The gizzard means the stomach of the bird.

8. Section 1429.19 (i) (11) is added to read as follows:

(11) "Raw poultry fat" means edible fat which is obtained from cleaned poultry fat tissues and which is free from all flesh and viscera.

9. Section 1429.19 (i) (12) is added to read as follows:

(12) "Rendered poultry fat" means fat obtained from pure poultry fat tissues which are free from other tissues and all foreign matter and which have been cleaned, deodorized, or purified by settling, straining, filtering, treating with chemicals, or other such means, and which at the conclusion of the refining process do not contain any added substance. The "rendered poultry fat" must be pure, sweet, clean, and free from adulteration, taint, sourness, rancidity, or foreign

² "New York metropolitan area" means the city of New York, New York, and the counties of Nassau, Suffolk and Westchester in the State of New York and the counties of Essex, Hudson, and Union in the State of New Jersey.

matter and must not have a moisture content in excess of 1%.

10. Section 1429.19 (i) (13) is added to read as follows:

(13) "Government-inspected raw poultry fat" means "raw poultry fat" taken from "frozen eviscerated poultry" as defined in paragraph (i) (4) of this section.

11. Section 1429.19 (i) (14) is added to read as follows:

(14) "Government-inspected rendered poultry fat" means "Government-inspected raw poultry fat" which satisfies the standards of "rendered poultry fat" as defined in paragraph (i) (12) of this section.

This amendment shall become effective February 15, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681.)

Issued this 15th day of February 1944.

CHESTER BOWLES,
Administrator.

RMPR 269, AMENDMENT 24, JANUARY 26, 1944

OFFICE OF PRICE ADMINISTRATION
(Document No. 27317)

PART 1429—POULTRY AND EGGS

[RMPR 269,¹ Amdt. 24]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation No. 269 is amended in the following respects:

1. Section 1429.19 (h) (1) (i) (c) is added to read as follows:

(c) For a period of 60 days from January 26, 1944, the maximum base price for kosher-killed poultry items in the Western zone basing point city of New York shall be the price as established for such poultry items in Table "A" of this section plus 1 cent per pound.

2. Section 1429.21 (a) (1) (i) (a) is added to read as follows:

(a) For a period of 60 days from January 26, 1944, any person who transports live poultry for a distance of 5 or more miles to, and for ultimate consumption in, the "New York metropolitan area" may sell or deliver such live poultry items to any "wholesaler," individual retail store, or any ultimate consumer, including commercial, institutional, or governmental users, located in the "New York metropolitan area" at the maximum base price established for such place in § 1429.19 (h) (1) Table A of this regulation plus, in lieu of the permitted increase provided by paragraph (a) (1) (i) of this section, the following permitted increases in cents per pound:

Shortest distance in road miles or railroad miles from place where transport of live poultry begins to place Maximum permitted increase in cents per pound:

Less than 5 miles.....	No increase
5 to 25 miles.....	1 cent
25 to 50 miles.....	1½ cents
50 to 100 miles.....	2 cents
100 to 150 miles.....	2¼ cents
150 to 200 miles.....	2½ cents
200 to 250 miles.....	2¾ cents
250 or more miles.....	3 cents

"New York metropolitan area" means the city of New York, New York, and the counties of Nassau, Suffolk, and Westchester in the State of New York and the counties of Essex, Hudson, and Union in the State of New Jersey.

*Copies may be obtained from the Office of Price Administration.

¹ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016, 15258, 14854, 15190, 16793.

3. The text of the column titled "Base price to which increase is added" as applied to item (1a) of Table B in § 1429.21 (a) (2) (i) is amended to read as follows: "Maximum base price at seller's shipping point, plus permitted increase established for actual distance live poultry was transported to seller's place of business, in a sum not to exceed 2¢ per lb., or, if the live poultry was transported into the N. Y. metropolitan area,² in a sum not to exceed 3¢ per lb. for a period of 60 days from January 26, 1944."

This amendment shall become effective January 26, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681)

Issued this 26th day of January 1944.

CHESTER BOWLES,
Administrator.

Approved: January 24, 1944.

MARVIN JONES,
War Food Administrator.

RMPR 269, AMENDMENT 23, DECEMBER 31, 1943

OFFICE OF PRICE ADMINISTRATION
(Document No. 26292)

PART 1429—POULTRY AND EGGS

[RMPR 269,³ Amdt. 23]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued

TABLE B.—Maximum permitted increases for sales of poultry items

Seller and type of sale made	Buyer	Quantity and form of sale	Item sold	Base price to which increase is added	Maximum increase in cents per pound for any type of seller for items delivered at buyer's customary receiving point
(7) Any type of seller.	United States Government or any agency thereof.	Any quantity.	Any dressed poultry item prepared, packaged, and shipped according to the buyer's specifications.	Maximum base price at seller's shipping point.	1 cent plus—lowest "freight rate" from seller's shipping point to buyer's customary receiving point in cents per pound. If shipments are made in less than carlot quantities seller may add lowest actual freight rate from seller's shipping point to buyer's customary receiving point in cents per pound, instead of lowest "freight rate."

This amendment shall become effective December 18, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681)

Issued this 13th day of December 1943.

CHESTER BOWLES,
Administrator.

RMPR 269, AMENDMENT 22, DECEMBER 31, 1943

OFFICE OF PRICE ADMINISTRATION
(Document No. 26284)

PART 1429—POULTRY AND EGGS

[RMPR 269,¹ Amdt. 22]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation 269 is amended in the following respect:

Section 1429.27 is added to read as follows:

*Copies may be obtained from the Office of Price Administration.

² "New York metropolitan area" means the city of New York, New York, and the counties of Nassau, Suffolk, and Westchester in the State of N. Y. and the counties of Essex, Hudson, and Union in the State of N. J.

³ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016, 15258, 14854, 15190.

¹ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016, 15258, 14854, 15190.

simultaneously herewith, has been filed with the Division of the Federal Register.*

The effective date provision of Amendment 16 to Revised Maximum Price Regulation 269 is amended to read as follows:

Amendment 16 shall become effective October 11, 1943, except that § 1429.19 (h) (2) shall become effective February 15, 1944.

This amendment shall become effective as of October 11, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681)

Issued this 31st day of December 1943.

JAMES F. BROWNLEE,
Acting Administrator.

RMPR 269, AMENDMENT 21, DECEMBER 13, 1943

OFFICE OF PRICE ADMINISTRATION
(Document No. 25315)

PART 1429—POULTRY AND EGGS

[RMPR 269,¹ Amdt. 21]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 1429.21 (a) (2) Table B, Item (7) is amended to read as follows:

§ 1429.27 Maximum prices for poultry items set aside for and purchased by the United States Government or its agencies pursuant to Food Distribution Order No. 91: Irrespective of other provisions of this regulation, the maximum price at which the United States Government or its agencies may purchase or requisition dressed poultry items set aside pursuant to Food Distribution Order No. 91 shall be:

(a) From producers, processors, or wholesalers, the seller's maximum base price, at the point of the purchase by the Government, plus his permitted mark-up as established by the appropriate provisions of this regulation for sales to the United States Government or its agencies.

(b) From "Hotel supply houses," the seller's cost of acquisition² not to exceed his maximum buying price, at the point of purchase by the Government, plus a maximum amount of 1½ cents per pound on quantity sales of less than 10,000 pounds or a maximum amount of 1 cent per pound on quantity sales of 10,000 or more pounds.

*Copies may be obtained from the Office of Price Administration.

¹ 7 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016.

² Cost of acquisition may include cost of purchase and also cost of transportation to the point of purchase by the Government, the total, however, not to exceed the seller's maximum base purchase price at the place of purchase by the Government.

(c) From any type of seller, other than retail sellers and those listed in paragraphs (a) and (b) of this section, the seller's cost of acquisition not to exceed his maximum buying price, at the point of purchase by the Government, plus all storage rates actually paid or accrued to a public warehouse plus a maximum amount of 1½ cents per pound on quantity sales of less than 10,000 pounds or a maximum amount of 1 cent per pound on quantity sales of 10,000 or more pounds.

Example of types of sellers other than retailers and those listed in paragraphs (a) and (b) above: Restaurants, hotels, railroad dining cars, night clubs, etc.

(d) *Provided, however,* That where the transfer and sale in one transaction of poultry contained in one warehouse is requested by the United States Government or any of its agencies from the seller in quantities of 10,000 or more pounds, the seller shall add only the 1 cent per pound mark-up provided for sales in such quantities and shall not, regardless of the size quantities in which the poultry is sold, add the 1½ cents per pound mark-up permitted for quantity sales of less than 10,000 pounds, if the total of all such sales to the Government equals or exceeds 10,000 pounds.

Example: Mr. A, a wholesaler, owns 25,000 pounds of assorted poultry items in X warehouse. The Army requests sale at one time of the entire 25,000 pounds. Mr. A refuses to sell the 25,000 pounds in one transaction, but agrees to sell 9,000 pounds in one transaction 9,000 in another, and the remaining 7,000 pounds in the last transaction. Mr. A may not, nevertheless, add more than 1 cent per pound as to any of the poultry sold in any of the three transactions. In other words, he is limited to the mark-up he could have charged if he had sold the poultry in the quantity or quantities requested by the Army. If the Army had requested 18,000 pounds in one sale and 7,000 in another, Mr. A could charge 1½ cents per pound on the latter transaction, but still would be limited to a mark-up of 1 cent per pound on the former.

This amendment shall become effective December 31, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 31st day of December 1943.

JAMES F. BROWNLEE,
Acting Administrator.

RMPR 269, AMDT. 18, NOVEMBER 3, 1943

OFFICE OF WAR INFORMATION

OFFICE OF PRICE ADMINISTRATION

(Advance Release for Morning Papers, Thursday, November 4, 1943)

AMDT. 18 to RMPR 269—POULTRY

PRESS RELEASE

OPA-T-1403.

Meeting what the majority of the industry said were its normal standards, the Office of Price Administration today revised its definition—and labeling provisions—for frozen eviscerated poultry.

This action came at a time when O. P. A. already had under consideration possible changes in the pricing of quick-frozen eviscerated poultry. (Prices on poultry processed

in this manner, the most expensive marketed, had first been reduced three and one-half cents a pound, on September 29, 1943, and then, more recently, there had been a restoration of one cent of this reduction after sharp industry protests.)

Originally, the "frozen eviscerated" provision of the regulation controlling poultry prices read as follows:

"Each bird must be placed in a quick-freezing chamber carrying a temperature below zero degrees Fahrenheit within six hours after the evisceration of such bird, and must be kept in such quick-freezing chamber until quick-frozen solid. No bird shall be considered quick-frozen if it is not frozen solid within 18 hours after being placed into the quick-freezing chamber."

It now will read:

"Each bird must be placed into a freezer within six hours after the evisceration of such bird, and thereafter must be kept at freezing temperatures until frozen solid."

Because of the change in the requirement, O. P. A. also changed the right of the freezer as to labeling. Birds which have been processed under the new provision can be called only "frozen eviscerated," but not "quick-frozen eviscerated."

The State of Ohio's standard of quick-freezing calls for freezing at a rate which will reduce every portion of the bird to a temperature of 10 degrees Fahrenheit or less in five hours. The standard for quick-frozen eviscerated poultry promulgated by the Quartermaster General of the United States Army says the bird must be "frozen solid not later than 12 hours from the time of drawing." One of the biggest firms in the industry said its standards were approximately those of the State of Ohio.

Nevertheless, a majority of the industry has protested the quick-freezing provisions, explaining at the same time that it has been able to market as "quick-frozen" poultry treated in line with the standards contained in the new O. P. A. provision. Because this was so, O. P. A. relaxed the standards, but, at the same time, insisted that the frozen poultry be marked only as "frozen" and not as "quick-frozen."

(Today's action was taken through Amendment No. 18 to Revised Maximum Price Regulation No. 269—Poultry. The amendment becomes effective November 3, 1943.)

REGULATION

(Document No. 23663)

PART 1429—POULTRY AND EGGS

[Rev. MPR 269,¹ Amdt. 18]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation 269 is amended in the following respects:

1. In §§ 1429.14, 1429.19, 1429.21, and 1429.23 all references to "quick-frozen evis-

*Copies may be obtained from the Office of Price Administration.

¹ 7 F.R. 10708, 10864, 11118; 8 F.R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016.

cerated poultry" items are amended to read: "frozen eviscerated poultry" items.

2. Section 1429.19 (i) (4) (viii) is amended to read as follows:

(viii) Each bird must be placed into a freezer within six hours after the evisceration of such bird, and thereafter must be kept at freezing temperatures until frozen solid.

This amendment shall become effective November 3, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 3d day of November 1943.

CHESTER BOWLES,
Administrator.

RMPR 269—AMENDMENT 20—NOVEMBER 2, 1943

OFFICE OF PRICE ADMINISTRATION

(Document No. 23388)

PART 1429—POULTRY AND EGGS

[Rev. MPR 269,¹ Amdt. 20]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

The effective date provision of Amendment 16 to Revised Maximum Price Regulation 269 is amended to read as follows:

Amendment 16 shall become effective October 11, 1943, except that § 1429.19 (h) (2) shall become effective January 1, 1944.

This amendment shall become effective as of October 11, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 2d day of November 1943.

CHESTER BOWLES,
Acting Administrator.

RMPR 269, AMENDMENT 19, OCTOBER 30, 1943

OFFICE OF PRICE ADMINISTRATION

(Document No. 23756)

PART 1429—POULTRY AND EGGS

[Rev. MPR 269,¹ Amdt. 19]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Revised Maximum Price Regulation 269 is amended in the following respects:

1. The maximum base prices established in § 1429.19 (h) (1) (i) Table A, in the columns titled, "Dressed", "Kosher-killed", "Kosher-dressed and plucked", "Drawn", and "Frozen eviscerated", are amended to read as follows for the following poultry types:

Young turkeys: Light, medium, heavy.

Old turkeys: Light, medium, heavy.

*Copies may be obtained from the Office of Price Administration.

¹ 7 F.R. 10708, 10864, 11118; 8 F.R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13303, 13813, 14016.

¹ 7 F.R. 10708, 10864, 11118; 8 F.R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13813.

TABLE A

Food products				Eastern zone basing-point city					Western zone basing-point cities												
Type	Weight			Chicago					New York					Pacific coast—Los Angeles, San Francisco, Seattle, and Portland							
	•	Kosher-killed, Kosher-dressed, and dressed weight	Frozen eviscerated and drawn weight	•	Dressed	Kosher-killed	Kosher-dressed and plucked	Drawn	Frozen eviscerated	•	Dressed	Kosher-killed	Kosher-dressed and plucked	Drawn	Frozen eviscerated	•	Dressed	Kosher-killed	Kosher-dressed and plucked	Drawn	Frozen eviscerated
Young turkeys:	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Light.....	•	•	•	•	43.0	42.0	43.5	51.5	54.5	•	44.0	43.0	44.5	52.5	55.5	•	43.0	42.0	43.5	51.5	54.5
Medium.....	•	•	•	•	41.0	40.0	41.5	48.0	51.0	•	42.0	41.0	42.5	49.0	52.0	•	41.0	40.0	41.5	48.0	51.0
Heavy.....	•	•	•	•	39.5	38.5	40.0	46.0	49.0	•	40.5	39.5	41.0	47.0	50.0	•	39.5	38.5	40.0	46.0	49.0
Old turkeys:	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Light.....	•	•	•	•	41.0	40.0	41.5	49.0	52.0	•	42.0	41.0	42.5	50.0	53.0	•	41.0	40.0	41.5	49.0	52.0
Medium.....	•	•	•	•	39.0	38.0	39.5	46.0	49.0	•	40.0	39.0	40.5	47.0	50.0	•	39.0	38.0	39.5	46.0	49.0
Heavy.....	•	•	•	•	37.5	36.5	38.0	43.5	46.5	•	38.5	37.5	39.0	44.5	47.5	•	37.5	36.5	38.0	43.5	46.5

2. Section 1429.19 (h) (1) (iv) is amended to read as follows:

(iv) Monthly adjustments in base prices for processed turkey items: The above prices for dressed, kosher-killed, kosher-dressed and plucked, drawn, and frozen eviscerated turkey items shall be in force for the months of July, August, September, October, November, and December. For the remaining months of the year the following additions shall be made to each of the above prices for dressed, kosher-killed, kosher-dressed and plucked, drawn, and frozen eviscerated turkey items:

Month:	Cents per pound
January.....	0.5
February.....	1.0
March.....	1.4
April.....	1.8
May.....	2.2
June.....	1.0

3. The example in § 1429.19 (c) (2) (i) is amended to read as follows:

(i) * * * Example: To determine the maximum base price for a Grade A dressed young turkey of less than 16 pounds in Denver, Colorado, subtract the following "freight rates" from the following maximum base prices:

	New York	San Francisco and Los Angeles	Portland and Seattle
Maximum base price.....	Cents 44.00	Cents 43.00	Cents 43.90
"Freight rate" from Denver to.....	2.26	1.38	1.72
Difference.....	41.74	41.62	41.28

The highest price is obtained by subtracting the Denver to New York "freight rate" from the New York maximum base price for a Grade A dressed young turkey of less than 16 pounds, and 41.74¢ per pound is the maximum base price for such turkey item in Denver, Colorado.

4. Section 1429.22 is amended to read as follows:

§ 1429.22 Maximum prices for poultry items when sold by producers or processing plants at retail: (a) The maximum prices for the sales and deliveries of poultry items when sold by producers or processing plants at retail, that is, to an ultimate consumer other than a commercial, institutional, industrial, or governmental user, shall be calculated as follows:

(1) The seller shall add 1½¢ per pound to the maximum base price at his shipping

point for any poultry item, other than a processed turkey item, and shall multiply the sum so obtained by 1.20, and the product of such multiplication shall be his maximum selling price for such poultry item: *Provided*, That in cases of mail-order sales the seller may add to such maximum selling price his actual express or mailing expense to the buyer's receiving point.

(2) The seller shall add 1½¢ per pound to the maximum base price at his shipping point for any processed turkey item, and shall multiply the sum so obtained by 1.17, and the product of such multiplication shall be his maximum selling price for such processed turkey item: *Provided*, That in cases of mail-order sales the seller may add to such maximum selling price his actual express or mailing expense to the buyer's receiving point.

5. Section 1429.27 is added to read as follows:

§ 1429.27 Emergency purchases of processed turkeys by the United States Government or any agency thereof: Any person who during the period, September 1, 1943, to October 25th, 1943, contracted in writing to sell and deliver a quantity of processed turkeys to the United States Government or any agency thereof at prices authorized pursuant to the emergency purchase provisions of this Regulation, may sell and deliver such quantity of processed turkeys to the United States Government or any agency thereof, in accordance with the provisions of such written contract, for a period of time not extending beyond June 1, 1944.

This amendment shall become effective October 30, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681.)

Issued this 30th day of October 1943.

GEORGE J. BURKE,
Acting Administrator.

RMPR 269, AMENDMENT 17, OCTOBER 12, 1943

OFFICE OF PRICE ADMINISTRATION

(Document No. 23010)

PART 1429—POULTRY AND EGGS

[Rev. MPR 269, Amdt. 17]

POULTRY

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

*Copies may be obtained from the Office of Price Administration.

17 F. R. 10708, 10864, 11118; 8 F. R. 567, 856, 878, 2289, 3316, 3419, 3792, 6736, 9299, 10940, 11691, 13302, 13813.

Revised Maximum Price Regulation 269 is amended in the following respects:

1. The effective date provision of Amendment 16 to Revised Maximum Price Regulation is amended to read as follows:

Amendment 16 shall become effective October 11, 1943, except that § 1429.19 (h) (2) (ii) shall become effective November 1, 1943.

2. Section 1429.19 (h) (1) (i) (b) is added to read as follows:

(b) Temporary maximum base prices for quick-frozen eviscerated broilers, fryers, roasters, capons, fowl, stags, and old roosters: Temporary Table A-2, listed immediately below, establishes temporary maximum base prices for quick-frozen eviscerated broilers, fryers, roasters, capons, fowl, stags, and old roosters. These prices may be revoked at any time.

TEMPORARY TABLE A-2

[Prices in cents per pound]

Quick-frozen eviscerated poultry item	Quick-frozen eviscerated weight	Eastern zone basing-point city			Western zone basing-point cities	
		Chicago	New York	Pacific coast cities ¹		
Broilers and fryers.....	Under 2½.....	52.5	53.5	54.0		
Roasters.....	2½ and over.....	49.5	50.5	51.0		
Capons:						
Light.....	Under 4½.....	49.5	50.5	51.0		
Heavy.....	4½ and over.....	51.0	52.0	52.5		
Fowl.....	All weights.....	44.0	45.0	45.5		
Stags and Old Roosters.....	All weights.....	38.0	39.0	39.5		

¹ The Pacific coast cities are: Los Angeles, San Francisco, Seattle, and Portland.

3. Section 1429.19 (i) (4) (vii) is amended to read as follows:

(vii) The carcass and giblets of each bird, whether in whole, split, or dismembered form must be weighed before being packaged or frozen, and then must be individually packaged in water resistant paper or cartons, one bird to one package, with the weight of each bird marked or printed on the exterior of each package, and with a statement printed on or attached to the exterior of each package reading as follows: "Inspected and Certified by U. S. Department of Agriculture." The exterior of each package should also show either the name and address of the person processing the eviscerated bird, or the plant number as-

signed to the eviscerator by the United States Department of Agriculture.

4. Section 1429.19 (1) (4) (ix) is amended to read as follows:

(ix) After quick-freezing, each bird must be kept at a temperature which will preserve the bird in hard-frozen condition until it is delivered to the purchaser. Each bird must also be delivered to the purchaser in the original package in which it was packaged at the time of its evisceration.

5. Section 1429.19 (1) (4) (x) is amended to read as follows:

(x) The prices established for "quick-frozen eviscerated poultry" items in this section shall apply only when such "quick-frozen eviscerated poultry" items completely meet the requirements listed in this definition. A discount of $\frac{3}{4}$ cent per pound shall be deducted from the maximum base price for any "quick-frozen eviscerated poultry" item which is not individually weighed, packaged, and identified as provided for in subdivision (vii) of this definition, but which otherwise meets all the requirements of this definition, and is packaged in bulk for sale to institutional, industrial, commercial, or governmental users, or for sale to distributors selling such users: *Provided*, That a statement is printed on or attached to the exterior of each bulk package certifying that the eviscerated poultry contained therein was eviscerated under Federal inspection, and showing the identity of the eviscerator.

In all other cases purchases and sales of "quick-frozen eviscerated poultry" items shall be made at prices not exceeding those established for the corresponding "drawn" poultry items in Table A of this section.

This amendment shall become effective October 12, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681)

Issued this 12th day of October 1943.

CHESTER BOWLES,
Acting Administrator.

A mass of printed matter from the Office of Price Administration being OPA 3229 Advance Release to Newspapers, October 7, 1943, containing nearly 500 words, and 38 printed pages containing altogether about 30,000 words. The estimated cost of printing in the RECORD is \$750.

With all the above printed matter and as an answer they received the following printed slip:

To help win the war we must adopt new methods if they save time and equipment. Your letter has been given individual attention and our reply, if one is required, is given on the reverse of this sheet. (If you merely asked for certain printed material, it is enclosed.) To expedite the war program and to reduce the cost of time and space involved in retaining letters, we are returning your letter. If you later find it necessary to write to us again about this particular matter, you should return all correspondence.

With all the above-printed matter and of manpower, the Office of Price Administration sent 38 pages of printed matter covering nearly 30,000 words but no answer to the farmer and his wife who had requested a simple answer on the price they could sell their turkeys.

Here is a quotation from the letter written to me:

Enclosed please find my inquiry for the price of turkeys from the O. P. A. and their answer. I still do not know the price of turkeys. It would take a Philadelphia lawyer to cipher it out. I am selling the breeding stock to Cedar Point (Joe Singler) and did

want a written statement as to price. Isn't there something that can be done that people at least know what they are doing and can do? It is positively absurd to receive such literature; it isn't reasonable.

Mr. Chairman, recently I heard that the O. P. A. sent out printed matter of 2,500 words announcing the reduction in the price of cabbage seeds. I could hardly believe it. But after looking over 30,000 printed words on the price of turkeys and no answer to my constituent as to the price, I would hate to ask the price of an elephant.

For alleged violations of such rot, the citizen is haled before "make-believe courts" for punishment. How long must the farmer, worker, and businessman endure such bunk from their Government by bureaucrats?

Mr. Chairman, I still want to know the price of turkeys for Clyde, Ohio.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and to include therein some material from the Office of Price Administration; and, further, to extend my remarks in the RECORD and include therein some excerpts from Quentin Reynolds' book *The Curtain Rises*.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a short article from Life magazine on General Chennault.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and include therein certain statistics.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article appearing in a newspaper today.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DICKSTEIN] be permitted to extend his remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects, in one to include an editorial from the Daily Calumet, and in the other to include a statement by some consumers.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD.)

CARTELS AND THE STANDARD OIL CO.
(NEW JERSEY)

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the Standard Oil Co. of New Jersey has no doubt sent to other Members of Congress as it has to me considerable pamphlet literature giving expression to an opposition to cartels.

Standard Oil—New Jersey—is, of course, by far the largest of all the major integrated oil companies and is one of the most gigantic corporations in the whole world. Its total assets exceed \$2,000,000,000 and its net profits after taxes in the year just past were more than \$120,000,000.

Had Standard of New Jersey opposed cartels in a truly effective fashion in the years before the war a number of things might have been different in connection with America's struggle to prepare herself for this conflict.

For the past 3 years a group of minority stockholders of the Standard Oil Co.

resulted in a general clearing up of strikes in this country.

For the first time since the Board was created in January 1942, not a single strike was before it today. The states of regional boards over the country were also reported clean, with a few possible exceptions.

The Conciliation Service has only seven cases under consideration, affecting only about 4,000 workers. Normally the service handles 20 cases daily.

Seven cases were before the W. L. B. on D-day, but they have been disposed of. Since June 6 only a few flare-ups have occurred and they quickly died down.

William Green, president of the American Federation of Labor, today called Gen. Dwight D. Eisenhower at supreme Allied headquarters:

"National War Labor Board informs me that its docket shows not a single strike in the Nation involving American Federation of Labor unions as of this day.

"Our 7,000,000 members are on the job supporting you to the limit."

Appropriations for the Naval Service

SPEECH
OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. SHEPPARD. Mr. Speaker, I have asked for this time to read the body of a letter directed by the Bureau of Naval Personnel to the heads of all naval shore activities under date of May 24, 1944. The letter reads:

1. Attention is invited to the substantial reduction in appropriations under the cognizance of this Bureau for the fiscal year 1945. The statements made by the Appropriations Committee of the House of Representatives in its report on the bill and the statements made individually by members of the committee and others on the floor of the House when the bill was introduced should also be noted. Pertinent extracts from the report of the committee (reference (a)) and from the CONGRESSIONAL RECORD (reference (b)) are contained in enclosure (A).

2. The total amount appropriated for this Bureau for the coming fiscal year is \$24,000,000 below estimated requirements. Furthermore, the amount of field funds that may be used for printing and binding (previously unrestricted) is now not only limited, but to an amount which is about two and one quarter million dollars less than the estimated requirements for the Navy as a whole.

3. The Appropriations Committees of the Senate and the House have consistently displayed a sympathetic understanding of the requirements of the naval service. During the period of the building up of the Navy and the Naval Establishment the Appropriations Committees have recommended and the Congress has appropriated sufficient funds to meet all essential needs. In this period it has not always been possible accurately to estimate the cost of projects. The fluid military situation frequently made accurate estimates very difficult.

4. In the fiscal year 1945, the Navy will reach its full strength, and consequently the period of unprecedented expansion will end. As the use of personnel within the continental United States is thereafter reduced and cut back, many elements of expense can be eliminated or reduced. Furthermore, further financial economies can be effected by the

addressees if they make a more careful attempt to economize in the use of personnel. It is incumbent upon this Bureau now to foresee and plan for diminishing activity just as carefully as it foresaw and planned to meet, during a period of inactivity, the demands for expansion and increased activity.

5. The House committee which initiates legislation on appropriations is determined to keep appropriations within the bounds of necessity. It is the committee's belief, concurred in by this Bureau, that this can be done without impeding the successful prosecution of the war. This is evident from the testimony of the hearings and furthermore, the committee has expressed its belief that it has appropriated sufficient funds for fiscal year 1945.

6. This Bureau will cooperate fully in keeping financial requirements at a minimum. It is not contemplated at this time that any supplemental funds will be requested during the coming fiscal year.

7. In order to effect these purposes, it is directed that no new project be undertaken until it is determined that—

(a) The new project will not duplicate another already established.

(b) Personnel and facilities already on hand cannot be used to meet the need.

(c) The new need cannot be met by discontinuing or reducing an existing project no longer vitally needed.

(d) Approval of the Bureau has been obtained and specific funds have been allocated from a definite appropriation for the new project.

Responsible officers must be alert to reduce maintenance demands, to eliminate projects, to close out facilities and to release personnel both civil and naval as the work load permits.

8. Addressees are directed to survey the maintenance cost of each activity within his jurisdiction and to recommend prior to July 1, 1944, any activity that in his opinion is not necessary in whole or in part and thereafter to advise this Bureau as the situation may change during the coming year. He should also assure himself that the maintenance charges are not only reduced to necessary expenditures but also that they are proper charges against the appropriations of this Bureau.

Mr. Speaker, that indicates a spirit which should make all of us proud of Navy's purpose to cooperate in saving dollars not essential to the conduct of the war.

Free Ports

SPEECH
OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. DICKSTEIN. Mr. Speaker, it was, indeed, gratifying to learn of the steps the President has taken in authorizing the admission into this country of at least 1,000 victims of Hitler and his band of gangsters. In granting this haven of refuge to a small number of the suffering victims of our common enemy, I feel sure we have acted in accordance with the principles upon which this great country of ours was based. In extending a helping hand to our downtrodden brethren

abroad we are again demonstrating that this country firmly believes in the sanctity and dignity of human lives.

Knowing the vast resources of this country and the great suffering abroad, I very much regret that the President did not see fit to authorize the admission of a greater number of refugees so as to save these women and children, who are doomed to die abroad; and to set an example for other Allied nations to do likewise. However, there seems to be a growing sentiment throughout the country to have Congress take the leadership in providing for the establishment of free ports to allow bona fide political and religious refugees to enter this country for the duration of the war only.

Mr. ROWE. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Ohio.

Mr. ROWE. Does the gentleman feel that that should be done by a Presidential directive or by the Congress?

Mr. DICKSTEIN. It can be done by both. At this point I would like to insert an editorial on this subject matter from the New York Times of June 10. Many organizations, labor, fraternal, and religious, have come out in support of free ports and I hope and pray that Congress will take the necessary steps to save as many people as possible:

PORT OF REFUGE

We believe that there will be prompt and generous approval of the President's plan to establish at Fort Ontario, near Oswego, a temporary haven for refugees who may escape from the European nations which are still under Hitler's domination. There is nothing in this proposal that seeks to evade the immigration laws or to disturb existing quotas. It is planned to provide food and shelter for approximately a thousand persons. This is only a tiny fraction of the great mass of homeless and helpless people, of many faiths and many races, who have been victims of the Nazi terror. We hope, ourselves, that more than a mere thousand can be sheltered under an expansion of the present program. But neither those who come now nor the others who may be enabled to come later will come as permanent residents of this country, in excess of the immigration quotas. They will come merely on a temporary basis—as war prisoners come, in fact, or as goods in crates are permitted to enter our "free ports," without payment of customs, if they are simply in transit from one foreign country to another. All that the plan involves is an overnight shelter, so to speak, until it becomes possible either to return these distressed people to their native lands or to find permanent homes for them elsewhere.

This is all that the plan involves, but it is enough to be helpful. For it will encourage other nations to take similar steps and, to the extent that it is generally adopted, it will remove one of the great barriers—a lack of places of even temporary refuge—which have been blocking the escape of Hitler's victims. This is a work of mercy. The President believes it important that the United States should share in it, not through words but through deeds. Every warm-hearted American will agree with him and approve his action.

The plan has nothing to do with unrestricted and uncontrolled immigration. It is simply a proposal to save the lives of innocent people.

Extension of Emergency Price Control Act of 1942

SPEECH
OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am not very familiar with the amendment that has been offered by the gentleman from North Carolina, but he is a member of the Banking and Currency Committee and I imagine his amendment is drafted with a great deal of care and in such a way as to take care of the situation that we are talking about. My only purpose in rising to speak on this amendment, in which I have not the slightest interest, is to give the House some facts that were developed before the so-called Smith committee of which I am chairman. The small meat packers came before us and they laid before our committee the fact that the ceiling price on their slaughtered animals had been fixed at such a level that they were and have been for 6 months losing from a half-cent to a cent and a half a pound on every pound of meat that they killed. That was the little packer.

The big packer was getting by, according to the testimony, because he processed byproducts. He could sell a fellow a side of beef on the ceiling price but make him take a couple of cases of beef tea on some other price and in that way by the use of his byproduct industry the big packer was enabled to live, but the little packers, one after another, had been choked out of business and had closed their doors.

We had a hearing before the Agricultural Committee, I think it was, in which the O. P. A. people appeared and they were asked about this very thing you gentlemen have been talking about this morning. What do you suppose they said? Here is the statement in almost exact language, after this situation had prevailed for a period of more than 6 months, after hundreds of small packers had been destroyed. This gentleman, I forget his name, said, "Very frankly, the small meat packers have been getting a terrific and unjustifiable shellacking for 6 months." We asked these men: "Why do you not do something about it?" Still apparently nothing has been done about it and that was 6 months ago.

This is all I know about the situation. I have no interest in the amendment except that I am interested in seeing every-

body get a fair deal and I have no doubt that the gentleman from North Carolina has prepared an amendment which covers the case.

Mr. BECKWORTH. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. BECKWORTH. And if you ask them to say what kind of deal the small packer is getting, they will repeat that he is getting a terrible shellacking. You tell them to do something about it and they will not do a thing.

Mr. PATMAN. The gentleman is correct.

Mr. HARTLEY. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New Jersey.

Mr. HARTLEY. I would like to call the gentleman's attention to the fact that the independent butchers of the country, representing tens of thousands of small butchers throughout the country, came before our committee and in the presence of O. P. A. officials offered to give back some of the percentage that they had so that the packers might have it, but the O. P. A. refused to accept their suggestion.

Mr. SMITH of Virginia. I am sorry I overlooked that. Here was a proposal that was made by the butchers and also by the retail sellers of meat. Everybody knew there was a terrible situation existing. These little retail sellers came before our committee and offered this proposition: "For goodness sake give our killers of meat a little raise in profit and we will absorb it without raising the price of meat to the public at all. Raise their ceiling so they can live. If we can get some meat we can live on a smaller margin of profit."

Mr. PLOESER. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Missouri.

Mr. PLOESER. That is why in response to an inquiry a while ago asking me whether or not this would affect retail prices I said that it would not.

Mr. SMITH of Virginia. That was a definite proposal.

Mr. PLOESER. There is absolutely no need for an increase in the retail price of meat to accomplish this equitable adjustment.

Mr. CRAWFORD. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understand the gentleman's remarks just made about butchers and retailers, the higher margins or profits which they are now receiving came about through a mark-up permitted in the regulations issued by the O. P. A. wherein the mark-up allowed the butchers and retailers was greater than the historical background and the increase to the butchers and retailers comes out of the small packers. Is that about the situation?

Mr. SMITH of Virginia. That necessarily was the situation.

The CHAIRMAN. The time of the gentleman has expired.

Gov. John W. Bricker

EXTENSION OF REMARKS
OF

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1944

Mr. JONES. Mr. Speaker, I have asked leave to extend an editorial about Gov. John W. Bricker, of Ohio, in the CONGRESSIONAL RECORD, because I believe it is a fair statement of Mr. Bricker's stature as a Presidential candidate and a brief picture of the estimable character of the man as shown by his public record and speeches:

[From the Chicago Daily Times of June 3, 1944]

GOVERNOR BRICKER IN THE EAST

Governor Bricker grows in stature as he discusses the issues of the coming Presidential campaign.

One distinction between a politician and a statesman is that the latter has informed ideas and the courage to state them and fight for them. Such a man is bound to benefit by the test of a campaign. It is the candidate who is uncertain about his own principles who is guided by expediency and seeks to trim his sails to the winds of local opinion who has reason to fear open campaigning. Such a man is deflated by the test. His trimming is exposed and the voters are discouraged instead of inspired by his ideas.

The sound political maxim not to waste effort on territory that is hopelessly lost lay behind Jim Farley's famous remarks in 1936, when Alf Landon invaded California, then strongly pro-New Deal, that the opposition was throwing forward passes in the fourth quarter. Governor Bricker might have made this maxim an excuse to stay out of New Jersey. That State was supposed to be in Willkie's vest pocket until Willkie collapsed and, more recently, in the ironic words of the Tribune's Miss Winn, it has been reputed to be pulsating for Governor Dewey.

Governor Bricker did venture into the State, however, and his reception gave further proof of what has been apparent to anyone who has troubled to look beneath the froth of a few international newspapers and a noisy minority of social climbers. Americans in the East are no different from Americans in the Middle West, the South, or the Far West.

Governor Bricker did not pull his punches to fit the toadying internationalism that has been erroneously imputed to the majority of easterners. He told the voters in New Jersey the same thing that he has told the voters of the Middle West—that if there is to be an international police force capable of maintaining world order the majority of the policemen will be American boys; that while America must cooperate with other nations, we likewise have the power and right to insist that other nations cooperate with us. Cooperation cannot be one-sided.

The primary purpose of a national political convention is to select the best candidate that the party can offer for the Presidency. The Presidential candidate is often, and accurately, referred to as the standard bearer of the party. Not only does control of the national administration depend upon his leadership in the campaign but to a great extent victory in the thousands of other contests for State and local office. The delegates to the convention are the leaders of the State and local organizations of their party. They are interested, and properly so, not only in win-

ning in the Nation but also in winning in their own areas.

The Republican delegates who gather in Chicago cannot fail to be aware of the leadership that Governor Bricker promises through his demonstrated ability to discuss the campaign issues honestly and courageously. Since the Governor has increased the tempo of his speaking engagements, Mr. Roosevelt has attempted to assure the country that he will refrain from committing the United States to any scheme of extreme internationalism or supergovernment. The value of any such assurance is naturally questionable, but there can be little doubt that the President was forced to it by the progress that Governor Bricker has been making as the only avowed candidate for the Republican nomination.

Louisiana's General Chennault

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. BROOKS. Mr. Speaker, Louisiana is proud of Gen. Claire Lee Chennault. As leader of the Flying Tigers in China, Chennault has spread the story of American flying skill and valor across the flaming skies of China. As head of the Fourteenth Air Force, he has made known to discouraged and war-worn peoples of China the full meaning of the efficiency and power and protection of the Army Air Forces.

General Chennault is a native of north Louisiana where he still retains his home. He is the father of seven children, and is true to the spirit and courage of his native State.

I ask permission to reprint below, a short article appearing in the May 27, 1944, issue of Life magazine:

LOUISIANA'S GENERAL CHENNAULT

The final tragic side of an airman in war-time is the fight. Having mastered his plane and all weathers, he must learn to kill and fly home again. Killing in the air is an intricate skill, and there is no greater student of it than Claire Lee Chennault.

There is little of the spit-and-polish soldier in Claire Chennault. If he struts, it is because he has a tense spine, bowed legs, and a bitter spirit. During the Flying Tigers' early battles, when he was both studying and teaching tactics, he would go up into the control tower at Toungoo field dressed in a pair of shorts, a short-sleeved white shirt, and a battered felt hat, and he would dictate to a stenographer his comments on each pilot's way of fighting. Later he would sit down with each man, like a colleague rather than a commander, and would rub out the soft spots and help make another perfect fighter.

This informal soldier is bitter because he has always had to fight for what he believed. As a young man he was appointed teacher in the toughest school in backwoods Louisiana. He believed in discipline and whenever the big Athens boys got obstreperous, Chennault asked them to step out into the yard. Soon order came to the school.

When he first applied for flight training, he was turned down with the comment: "Does not possess necessary qualifications to be a successful aviator." But within 3 months he had fought his way to acceptance.

As a military man, he has consistently gone to bat for the men of his command, but he has also fought against them when it seemed right. When 30 of his 34 A. V. G. pilots handed in resignations in April 1942, because they felt they were being expended needlessly by Chennault, he called them in and said: "Under the Articles of War, the punishment for desertion in the face of the enemy is death. Think it over." They did.

His great work has been his fight for fighters, as opposed to bombers. He was the Billy Mitchell of pursuit. But his deafness made him resign from the Army in 1937, and it was not till he went to China as aviation adviser to the Chiangs and later formed the A. V. G. that his theories proved themselves. Now the Army has taken him back, and whether they know it or not, fighter pilots all over the world learn Claire Chennault's bitter lessons. They learn the three basic Chennault rules:

Be flexible: Chennault taught his Flying Tigers one set of tactics when they opposed the Zero with the heavy P-40—essentially dive, squirt, pass, run. But he said, "If we had Zeros, we would change our tactics and beat the Japs flying P-40's." And he would.

Be a team: Chennault's men on a flying trapeze were such a team that they could tie their planes together with short lengths of string, take off, go through brazen maneuvers, and land with the strings unbroken. In war Chennault devised the two-plane element rather than the V of three as the most efficient team.

Know your strength. In the bamboo barracks at Toungoo he would say: "Each type of plane has its strong points and weaknesses. The pilot who can turn his advantages against the enemy's weakness will win every time." Chennault used pencil and paper, blackboard and chalk, persuasion and the graceful hand movements of a pilot talking about planes to show his men their peculiar strengths and the enemy's weaknesses.

He fought the Army to put increased firepower in their two-gun fighters, but they would not give way until the Russians came out in Spain with four fixed guns firing synchronously through the whirling propeller. He fought for fighters dropping "frag" bombs on bombers. He fought for paratroopers, for more emphasis on marksmanship, for better warning systems in days before radar.

Like all really good fighters, Claire Chennault has a warm, gentle core. There was no rank in his A. V. G.'s; there is no authority except excellence in his Fourteenth Air Force. He has seven children of his own, but Chinese poverty so moved him that he adopted several Chinese orphans. He is a good teacher because, having had a bitter fight in life himself, he is sensitive to other people's troubles.

But he is pugnacious, too, and he certainly looks it. One of his men was asked one day to describe his face. "He looks," the flyer said, "as if he'd been holding his face out of a cockpit into a storm for years." The flyer should have added that he was holding it out there to look for someone in the storm to fight with.

Extension of the Price Control Act

EXTENSION OF REMARKS

OF

HON. WILLIAM A. ROWAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. ROWAN. Mr. Speaker, under leave to extend my remarks in the Record, I include the preamble of a petition

for the extension of the Emergency Price Control Act containing approximately 22,000 signatures. The petition has been filed with the Banking and Currency Committee of the House of Representatives:

We, the undersigned, believe that the Emergency Price Control Act, which expires June 30, 1944, has been effective in preventing runaway prices. In the light of what happened during and after the last war—rising prices and collapse, we are determined that the present law be renewed.

We are aware that major threats are being made to the price-control program. Casualty lists cast shadows over all of us. More and more of our sons, husbands, and friends will see active duty in the dangerous months' ahead. Our worries increase. It is unfortunate that in such critical times it is necessary for the citizens of this country to dissipate energy in this fight to renew a program that is so obviously essential for the general welfare.

Price control, like total war, is beyond party. We urge you who represent us in Congress to work aggressively to prevent inflation, and thus strengthen the morale at home and on the battlefield as well. Therefore, we petition you—our representatives—to continue and extend the price-control law without crippling amendments and with provision for adequate funds to strengthen its enforcement.

Back the Invasion—Produce for Victory

EXTENSION OF REMARKS

OF

HON. CHARLES M. LaFOLLETTE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. LaFOLLETTE. Mr. Speaker, under leave to extend my remarks, I wish to call attention to the official statement of the Evansville Industrial Union Council, C. I. O., upon the invasion of Europe which has been sent to me as the Representative of the Eighth District of Indiana, and which reads as follows:

STATEMENT OF EVANSVILLE INDUSTRIAL UNION COUNCIL, C. I. O., TO THE PEOPLE OF EVANSVILLE—BACK THE INVASION—PRODUCE FOR VICTORY

Allied invasion of Hitler Europe hastens the day of unconditional surrender and victory over fascism. The men and women of our fighting forces are making the supreme sacrifice to insure that the "four freedoms" will conquer the bloody oppression of Hitler's hordes. America proudly witnesses the triumphant march of her sons in their mission of liberation. Freemen of all lands are fighting today in France against the barbarians. From west, from east, and from the south, Europe is being liberated.

No American will hesitate to make his greatest effort in order to produce and speed the weapons of war to the fighting fronts. The people of Evansville are engaged 100 percent in war production. We want to supply the guns, tanks, ships, and planes to our soldiers in such great numbers that the enemy will be crushed speedily and our sons and brothers will have an early, victorious homecoming. Labor and industry in Evansville will produce without halt the weapons of war. We will not hesitate, we will not slow down or stop our work until victory is ours and the boys are home.

The C. I. O. is urging all of its members to support to the last dollar the Fifth War Bond drive; our members are marching down to the Red Cross blood banks in the hundreds of thousands to give vitally needed blood to our armed forces. The C. I. O. is backing the President in his program of price control and rationing to guarantee that the hardships of war will be distributed fairly among all the people. We have pledged our fullest support to all and any measures our Commander in Chief deems necessary for the successful prosecution of the invasion. Labor is ready to unite with all American organizations to produce for victory.

Men and women of Evansville, no sacrifice is too great, no task too heavy, to back the invasion and help destroy Hitler's gang. In the words of our President:

"Germany has not yet been driven to surrender. Germany has not yet been driven to the point where she will be unable to recommence world conquest a generation hence. Therefore, the victory still lies some distance ahead. That distance will be covered in due time—have no fear of that. But it will be tough and it will be costly."

Back the invasion. Produce for victory.

Extension of Price Control Act

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. WOLVERTON of New Jersey. Mr. Speaker, the immediate need for this legislation arises from the fact that the present Price Control Act and the Stabilization Act will expire on June 30, 1944.

It is essential that these two acts continue in force. The bill now under consideration provides for continuance of their operation for a period of 1 year. By limiting the extension of 1 year, it is not to be assumed that the continuance of the stabilization program after the expiration of that time will not be necessary. During the year of continued operation not only will consumers be insured against an inflationary rise in the cost of living, but Congress will also have an opportunity to observe the operation of the act and its effects and the necessity of its continuance a year hence.

No one will deny that in some particulars the regulations and requirements of the Office of Price Administration in its administration of the act have produced hardships and conditions that justified complaints. However, most of such complaints were based upon conditions arising from administration of the act. Some of the conditions represented, in my opinion, mistakes in administration that should not have occurred. Some have been corrected and promises made for suitable remedy as to others.

Notwithstanding all the complaints made, some justified and others not, the fact remains that without price control the resultant conditions would have been intolerable. Consumers, especially of the low-income group, would have been caught in an upward inflationary swirl

that would have caused the cost of living to have gone far beyond the ability of the average family to meet. It is bad enough now, but what would it have been had there been no price control? It is unpleasant to even contemplate the misery and distress that would have resulted?

I am not in accord with the effort being made by selfish interests to break down effective price control by weakening amendments to the act, and thereby permit profit gains through price increases at the expense of consumers—workers in industry and trade, white-collar workers, farm workers, the aged living on meager allotments or pensions, the wives and dependents of soldiers, sailors, and marines who are serving their country, and those dependent upon the limited death benefits received as a result of husband or father having given his life in this or some previous war, and those servicemen and their dependents compelled to exist on the meager allotments or compensation allowed in case of injury in war service. The duty to protect these and others from the ravages of uncontrolled inflation and an ever-rising cost of living would justify measures to strengthen the Price Control Act instead of weakening it.

Furthermore control of prices on materials and equipment produced for the use of our armed forces means control of the cost of the war to the American people. According to Price Administrator Chester Bowles, operation of price control has meant a saving to our procurement agencies on munitions and other war contracts of nearly \$65,000,000,000. This means that where between July 1940 and December 1943 we spent \$136,000,000,000, we would have spent, in the absence of price control, at least \$201,000,000,000. This is people's money. It is the money of holders of War bonds. It is the hard-earned money of the taxpayers of today and of the taxpayers of tomorrow.

Thus, whether the matter of price control is considered from the standpoint of the individual citizen or that of the Government, both being consumers, they are each deeply interested and their welfare requires adequate and effective price control. It is the duty and responsibility of Congress to provide such.

I shall vote to extend the Price Control Act, against weakening amendments, and to provide the funds that are necessary for adequate and efficient administration of the act.

The Curtain Rises

EXTENSION OF REMARKS

OF

HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. OUTLAND. Mr. Speaker, I have recently finished reading one of the most worth-while books it has ever been my

pleasure to read. I refer to Quentin Reynolds' *The Curtain Rises*, published by Random House, Inc. The entire book is well worth calling to the attention of Members of this House as well as to the American people as a whole, but on pages 350 to 352 is contained one of the most enlightening statements concerning our war effort that I have ever read. Random House, Inc., has given me permission to quote this material, and I include it here as part of my extension of remarks. May I say, that I commend it heartily as an antidote for partisanship and prejudice.

THE CURTAIN RISES

(By Quentin Reynolds)

I've been home for a month now, and for the first time in 7 months I'm completely bewildered. It was a shock to pick up the papers and read columns of criticism of our war effort. Everything I saw in the war zone led me to believe that our matériel was the best in the world; that a military miracle had been achieved in the rapid training of our troops; that our war effort was being handled with a minimum of red tape, lost effort, and inefficiency. I knew that neither General Marshall nor General Eisenhower could wave magic wands and have the ships arrive in the Mediterranean right on time, loaded with just what we needed for combat. I felt that somebody back home must be doing a wonderful job of organization and administration to effect this result. I knew that when an American soldier set foot on an enemy beach he had the best equipment possible. He had everything that human ingenuity could give him to protect himself and to minimize his danger. He even had two ampoules of morphine and a package of sulfa powder in his pocket. His emergency rations were the best ever devised, and they even included something which, to the G. I., is more important than food—cigarettes and matches. Somebody back home must have been responsible for all this. The Army could not do it alone. Yet, from the papers, one would think that Washington was a madhouse, inhabited by certified lunatics, crooks, or shady politicians. It was disheartening, because when you first come home you're so filled with pride at the great job America has done and is doing that you feel like waving a flag. You get so impatient with the snide, petty criticism of our leaders that you end up by diving into the sports pages. You read the most senseless, absurd speeches by some of our duly elected Members of Congress, and you shudder and wonder why they don't inform themselves about conditions before they spout preconceived political convictions. When you return you are laboring under the apparently absurd delusion that we are at war with Japan and Germany. Reading some newspapers, you might be pardoned for thinking that we are at war with Britain and the President of the United States.

I arrived home and immediately went to a quiet resort for a week to catch my breath and to get accustomed to the fact that when you are awakened at night by the sound of an airplane engine you don't have to freeze with terror or look for a slit trench. It takes some time to realize that any plane you hear back home is a friendly one. I tolerated the lovely country resort for a week. Elderly gentlemen dressed each night for dinner and then dozed off in comfortable chairs in the hotel lobby. I felt that every now and then one of them would wake up and stop a passing bellboy to ask, "Is Roosevelt dead yet?" When the bellboy said "No," the elderly, black-tied gentleman would look disappointed and then go back to sleep.

At the resort a man asked me where I lived. I told him I lived in New York City. "How

convictions and efforts, then I want you to write me and give me your views. If you think I am right, then I want you to give me your full support from time to time as these issues arise.

With every good wish to you and your family, and pledging you to continue a relentless fight against these foes of our Government and the traditions of the Old South, I am

Your friend,

JOHN S. GIBSON,

Member of Congress, Eighth District
of Georgia.

While They Fight

EXTENSION OF REMARKS

OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

Mr. HOFFMAN. Mr. Speaker, for more than 2½ years some of the finest young men of America have been fighting, suffering, and dying in the uttermost parts of the earth. Now the invasion of Europe has started. Hundreds of thousands of our young men have been wounded and thousands have been killed. Many of them were boys who had never lived as you and I have lived. To those of us who have passed the half-century mark, they were just children. They did not want war. They had no part in deciding whether we should have war. Many just fight, suffer, and die.

More than 5,000,000 of the future citizens of this country, upon whom the very existence of our Nation, to say nothing of its welfare, depended, have been sent abroad and, before this cruel war is over, all too many of them will have been sacrificed to the war god; all too many will lie buried abroad and many—yes, many—will have been utterly destroyed, even their resting places unmarked and unknown. We here at home should be humble, thankful, forgetful of self and selfish ambition.

This invasion means that almost every minute, every hour, of every day, somewhere in this war a life is snuffed out. It means that some mother's son, some brother or some husband, will be wounded, lose a limb, suffer physical or mental injury.

As we contemplate the sacrifices which have been made, which are to be made, upon us should come a deep sense of humiliation, of grim determination, that, while they fight, we will not in thought, word or act, in any manner, fail them, neglect thoughtlessly to do our utmost here to support and sustain them.

No one has ever clearly stated just why humanity must sacrifice itself on the altar of war. All know that greed, selfishness, desire for gain and power, are among the causes of war; that many of the reasons advanced for going to war are not reasons at all, but just excuses which govern and obscure the real reasons. Once committed to war, a people, a nation, find it difficult, if not

impossible, to turn back, but all wars end.

We here at home can do no less, as we bow our heads in humble prayer for the success and the safety of those who have gone, who will go, into battle, than search our hearts and minds for some remedy which in the centuries to come will prevent future generations of young Americans being thrown by the hundreds of thousands—yes; by the millions—into wars abroad. We can forget our fancied, personal hardships and complaints, keep in mind what they are doing and let nothing—no; nothing—interfere with our support.

If, when this war is over, we will expend a fraction of the effort which we have put forth to fight and win this war in making ourselves strong, independent, and self-reliant, the sacrifices of those who have given their lives, who will pay the penalty may not have been in vain.

In the meantime, the very least that we can do is to every hour, by our considered action, aid by giving the things they need; by seeing to it that here at home, when the survivors return to their homeland—to them the most blessed spot on earth—they will find not only a welcome but material advantages and privileges which will aid them to forget their suffering, their losses; to go back to homes of their own, where, with wives, children, and friends, they can live as did their forefathers, in peace and prosperity, the memories of this war but as an unpleasant dream.

Price Control Act

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. Lew Hahn, general manager of the National Retail Dry Goods Association:

NATIONAL RETAIL DRY GOODS ASSOCIATION,
New York, N. Y., June 7, 1944.

HON. J. PARNELL THOMAS,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN THOMAS: In response to the Office of Defense Transportation's call for a reduction in passenger transportation the National Retail Dry Goods Association recently, by voluntary action, postponed three important conventions which it had scheduled for this summer.

Instead the president of this association, Edward N. Allen, of Hartford, Conn., and the writer, have just completed a trip of nearly 10,000 miles and personally discussed conditions in many of the cities of the West, the Pacific Northwest, and the Pacific coast with the merchants of those regions.

It is our idea that you will be interested in the following statement which is based upon our direct contacts with several thousand retail merchants.

We found that retailers are doing an excellent job of supplying public demands up to the limit of their facilities during this war period. The difficulties they face in nowise discourages them. The high taxes they are paying they regard as necessary. As one man they are patriotically supporting all of the various war agencies and in most cases their advertising and other facilities are devoted chiefly to the sale of War bonds. Some outstanding stores have advertised no merchandise at all for a period of as long as 6 months. All the advertising space of such stores has been devoted to the Red Cross, the U. S. O., War bonds, and similar objects.

One thing, however, does distress these merchants. That is the unnecessary and unreasonable interference with business caused by the Office of Price Administration's stubborn insistence upon maintaining the restriction of price lines in three important price regulations.

Retailers favor a strong and effective system of Government price control during this war emergency. It is a matter of record that the National Retail Dry Goods Association, and its member merchants, began a voluntary control of prices before the war in Europe was 2 weeks old. To be specific, this campaign was started on September 12, 1939, and was carried on without any help from Government for 2 years. No group would suffer more from a serious inflation than the retailers who must carry costly stocks of merchandise at all times and whose losses at the end of an inflationary period would be prodigious.

Consequently, retailers do not desire any lessening of effectiveness in Government price control. They hold that O. P. A. has been authorized by the Congress to control the prices at which they may sell merchandise and they do not object. In the case of the restriction on price lines, however, O. P. A. presumes to say that one retailer may carry and sell a certain article of merchandise while his competitor shall not be allowed the same right.

Not only is this unreasonable but it actually is contrary to the public interest. Attached hereto you will find a small chart which shows that in those lines of merchandise to which the restriction on price lines applies the advance in prices has been much more rapid and acute than in other lines where this provision does not apply. The chart, however, does not presume to indicate the extent to which, in addition to the advance in price, deterioration of quality also has occurred.

Please bear in mind that this price line restriction applies only to women's and girls' ready-to-wear garments, men's and boys' clothing, and furs. If therefore O. P. A. is to be considered justified in holding that such a provision is a necessary part of price control, it would be difficult to explain why the same provision does not appear in regulations controlling all other lines of goods.

Retailers, as you know, do not produce merchandise. They buy it from the manufacturer and resell it to consumers. Unless the manufacturer who makes the goods is confined to certain price lines and required to produce goods of undiminished quality in those price lines, the retailers cannot have such goods to offer to the public. And unless the public wishes to buy such merchandise, it is wasteful to require manufacturers to make it and to confine retailers to such price lines. In short, the retailer cannot be bracketed unless producers and consumers are similarly bracketed.

The recent efforts of Administrator Bowles to provide relief from the unnecessary exactions of the price line restrictions are in no sense a solution of the problem. They can do nothing at best except to transfer the point of difficulty from one group of retailers to another. As retailers down the

scale may be afforded some little relief, such relief can be had only at the expense of retailers a little higher up the scale. There is no solution to the problem except to do away with the provision completely.

Indeed, Mr. Bowles' latest effort to simplify the problem will only make it worse.

Because the O. P. A. folks are so stubborn in their persistence in maintaining this price line restriction provision, retail merchants can do nothing except to petition their representatives in Congress to amend the Price Control Act in such a way as to make this type of regulation impossible.

In view of the extremely earnest way in which retailers have sought to comply with the price regulations, we believe you will see the justice of Congressional action at this time.

It has been suggested that the situation could be adequately met with the following simple amendment:

"Nothing in this act shall be construed to require any person to sell any commodity or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any one time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect."

You will recognize, of course, that not even the Government of the United States could ever hope to control an economy so great and complicated as that of the United States without the sincere and complete cooperation of the men of business. This cooperation retail merchants have gladly given and will continue to give, and we hope you will see the wisdom of requiring O. P. A. to remove this unnecessary and useless barrier to the fair conduct of retail distribution.

In this spirit we invite your support for some such amendment as is suggested above. May we have a reply from you?

With best wishes,
Sincerely yours,

LEW HAHN,
General Manager.

Extension of Emergency Price Control Act of 1942

SPEECH
OF

HON. GRAHAM A. BARDEN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. BARDEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I had prepared an amendment to change the date "1941." Why that was put in I am unable to say, and I could not get a satisfactory answer from the committee. I am afraid the fishing industry is being treated a little like the O. P. A. has treated some other industries in my section. That is because the O. P. A. does not know much about it. They are just not concerning themselves, and the first thing you know somebody is going to get hurt.

When the gentleman from Texas [Mr. PATMAN] steps down into the well of this House and attempts to tell me how much my fishermen are making and he coming from a locality 3,000 miles away, that is typical O. P. A. procedure.

There is one county in my district that produces more sea products and sea food than any county between New Jersey and Texas and I think I know something about the way the fishermen have to get along and the way they produce sea food. We cannot deal with this problem lightly. The fishing industry of this country is a tremendously important industry and I am not at all satisfied with the date 1941 remaining in this law.

Mr. GIFFORD. In my amendment I changed it to 1942.

Mr. BARDEN. Yes. I am going to vote for the gentleman's amendment. The only reason I voted for the gentleman's other amendment was because I was afraid we might not get an opportunity to vote to amend the year. I think the other amendment was too strong, but I think this amendment is fair and reasonable and will tend to protect and preserve the fishing industry.

Mr. GIFFORD. I want to thank the gentleman for his support. I do want to include in the gentleman's remarks a reply to the gentleman who spoke about these fishermen making \$3,000 or \$4,500 a year. I should like to take him to Martha's Vineyard and Nantucket where the small fishermen operate and have him realize how little they receive but how hard they work.

Mr. BARDEN. I thank the gentleman. The gentleman from Texas probably had in mind O. P. A. salaries. I may say to the gentleman from Massachusetts that 95 percent of the fish produced within my district are caught by small boats approximately 35 to 50 feet long. That is the type of fishermen we are trying to protect, and there are literally thousands of them that operate every day. If it is a stormy week they do not catch a fish and then maybe they go out and catch only a few fish the next 2 or 3 days. But the men who are handling these things cannot handle them properly unless we give them some guide to go by. Otherwise we cannot expect them to do anything except make blind mistakes. My experience has taught me that unfortunately very few of these O. P. A. folks have had practical business experience and I believe the formula set out in the amendment offered by the gentleman from Massachusetts is absolutely fair. I do not see how anybody can attack it. It is just what we are advocating for other industries.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. BATES of Massachusetts. The gentleman speaks about the many trips his fishermen make that do not yield results. The same thing applies to the commercial fisherman along the North Atlantic coast; they go out with their big boats, drag their nets on the bottom of the ocean, and at times come back with practically no fish.

Mr. BARDEN. We are little fellows down my way and we proceed on the theory that most of you big fellows up there are going to take care of yourselves.

Mr. BATES of Massachusetts. We try to do it anyway.

Mr. BARDEN. But this is one time when we all ought to get together to do something for the protection of the smaller fishermen who produce the major bulk of the sea food of this country.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. ROWE. There is nothing about this formula that would raise the price above what it has been.

Mr. BARDEN. Not a thing in the world; it would simply be a guide for the O. P. A. to go by.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. CELLER. We consumers in New York pay 60, 75, and 80 cents a pound for fish. Who gets the money?

Mr. BARDEN. I will tell you who gets the money, some of the gentlemen's New York constituents who have been buying and sometimes just taking our fish for the last 50 years.

D-Day Puts Sea Power in Focus

EXTENSION OF REMARKS
OF

HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by James B. Hutchison:

D-DAY PUTS SEA POWER IN FOCUS
(By James B. Hutchison)

WASHINGTON.—The role of sea power in deciding the ultimate income of wars once again has been clearly demonstrated in the allied invasion of France.

There can be no longer any doubt that sea power is winning World War No. 2 for the United Nations. It was Hitler's reliance solely on a big air force, and well-trained army that cost him victory in the early days of the conflict.

At the Navy Department on D-day, Secretary James V. Forrestal, Admiral Ernest J. King, Navy commander in chief, and Admiral Royal E. Ingersoll, commander of the Atlantic fleet, tersely agreed that the invasion was "a perfect example of the silent working of seapower, and the airpower that goes with it."

The American Navy's Atlantic squadrons, in the past 2 years, have taken more than 7,000 ships across the ocean to England. Only 10 ships were lost, none of which were troop ships.

Without this astounding display of sea power, the Allies now would not have the millions of men and countless materials of war that make the liberation of Europe possible.

However, the war has made it clear, finally, that a nation can control the air, as the Germans did during the early part of the war, and still be unable to control the seas.

In the last analysis, it is ships that hold the seas, just as the land forces—infrared,

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 13, 1944, for actions of Monday, June 12, 1944)

(For staff of the Department only)

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SENATE

- FARM LOANS; VETERANS. Both Houses received the conference report on S. 1767, the GI Bill of Rights and the Senate agreed to the same (pp. 5832-9, 5869-76). As reported by the conferees, the farm-loan section provides that loans may be granted to veterans to be used in purchasing any land, buildings, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment to be used in farming operations conducted by the applicant, and that such loans shall be approved by the Administrator of Veteran Affairs if he finds (1) that the proceeds of such loans will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him; (2) that such property will be useful in a and reasonably necessary for efficiently conducting such operations; (3) that the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him are such that there is a reasonable likelihood that such operations will be successful; and (4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal (p. 5834).
- PRICE CONTROL. Sen. Ellender, La., inserted La. Legislature resolutions urging OPA and WFA to revise price ceilings on farm products and urging OPA to remove ceiling prices from sales of raw furs (p. 5830).
- WAR AGENCIES APPROPRIATION BILL. Appropriations Committee reported with amendments, H.R. 4879 (S. Rept. 960) (p. 5830).
- LEND-LEASE, UNRRA, AND FEA APPROPRIATION BILL. Appropriations Committee reported with amendments this bill, H.R. 4937 (S. Rept. 961) (p. 5830).

5. INVESTIGATIONS. Audit and Control Committee reported with an amendment S. Res. 291, to investigate whether rayon and other synthetic products can be used as a substitute for cotton and wool (pp. 5830, 5860-1).
6. STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL. Both Houses received the second conference report on this bill, H.R. 4204 (pp. 5839-44, 5867). The Senate agreed to the conference report and agreed, 63-0, to Sen. Russell's motion to insist upon its amendment to provide for a census of agriculture.
7. POST-WAR PLANNING. Post-war Economic Policy and Planning Committee submitted a report on the post-war employment situation making certain recommendations with respect to the establishment of an Office of Demobilization, contract termination, unemployment compensation, price controls and rationing, post-war Budget, post-war taxation, monopolies and trade barriers, etc. as they might affect the employment situation and inserted War Mobilization Director Byrnes' statement on the subject (pp. 5844-50).
8. SUGAR ACT CONTINUATION. Passed without amendment H.R. 4833, to extend the provisions of the Sugar Act of 1937 and the taxes relating thereto (pp. 5861-4). This bill will now be sent to the President.
9. PERSONNEL; VETERANS. Passed as reported H.R. 4115, to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed (p. 5864).
10. RECLAMATION; FLOOD-CONTROL BILL; RIVERS AND HARBORS BILL.. Sen. Overton, La., discussed the legislative status of these bills in view of the situation relating to the appropriation bills and the proposed recess, and Sen. Downey, Calif., discussed the proposed hearing (in Calif.) in connection with the "amplification of the 160-acre reclamation of the land of the Central Valley project" (pp. 5850-2).
Sen. Butler, Nebr., inserted an Omaha World-Herald editorial and article comprising a War Department report on the Missouri River Basin which claims that there is enough water in the Missouri River to provide for both irrigation and navigation (p. 5865).

HOUSE

11. PRICE-CONTROL EXTENSION. Continued debate on H.R. 4941, to extend the Price Control and Stabilization Acts (pp. 5880-908).
Agreed to the following amendments: By Rep. Towe, N. J., to strike out the word "general" in Sec. 202 (J) so as to give the Price Administrator more authority to eliminate inequities in cases where the maximum price is based on specifications or standards in use (pp. 5895-6); By Rep. Rizley, Okla., to exempt watermelons from price control (p. 5897); and by Rep. Scrivner, Kans., relating to records of proceedings under court actions (pp. 5905-7).
Rejected the following amendments: By Rep. Bradley, Mich., 22-76, to protect those persons who, having been notified of induction in the armed forces, shall, in the process of liquidating his business, exceed the established maximum price for a commodity thus disposed of (pp. 5884-5); by Rep. Clevenger, Ohio, to prohibit price controls on second hand household goods and second hand farm machinery (pp. 5885-7); by Rep. Shafer, Mich., to strike out the phrase, "where such actions has no relation to price control" in the provision prohibiting OPA from fixing profits (p. 5888); by Rep. Andresen, Minn., 47-92, to require allowance for a fair margin of profit in establishing price controls

(pp. 5891-2); by Rep. Chenoweth, Colo., 33-81, to exclude food products not included in the Department of Labor's cost-of-living index from price control (pp. 5892-3); by Rep. Hoffman, Mich., to exclude raw furs from this Act (pp. 5893-4); by Rep. Folger, N. C., to provide for the establishment of individual ceiling prices for processors of agricultural commodities in cases where the profit is less than during a normal pre-war period to be determined by the Administrator (pp. 5897-9); by Rep. Morrison, La., to exclude certain fresh fruits, including strawberries, raspberries, peaches, and cherries, after rejecting Rep. Fish's amendment to also include blackberries, currants, and grapes (pp. 5899-904); by Rep. Hinshaw, Calif., 39-83, to prohibit OPA from issuing ration tokens having a diameter of less than 0.900 of an inch, after he had withdrawn an amendment on this subject that he conceded would be subject to a point of order (pp. 5904-5); and by Rep. Johnson, Tex., to provide that OPA shall vest in the local boards the widest possible authority in dealing with rationing to individuals (p. 5905).

Rep. Jenkins, Ohio, offered and then withdrew his amendment providing that administration of the food program shall be under a single agency (p. 5896).

12. INFLATION. . . Rep. Murdock, Ariz., inserted a constituent's letter describing inflation in certain foreign areas (p. 5868).
13. FOREIGN RELIEF. Both Houses received the President's message, "Haven of Refuge for Oppressed People," in which he described the work being done to alleviate the suffering of Europeans (pp. 5827-8, 5879-80).
14. NAVAL APPROPRIATION BILL. Conferees were appointed on this bill, H.R. 4559 (p. 5908.)
15. FLOOD CONTROL. Received the War Department's flood-control reports on Cotaco Creek, Ala., and the Savannah River, Ga. (H. Doc. 657). To Flood Control Committee. (p. 5910.)
16. PERSONNEL; STATION TRANSFERS. Received CSC's proposed legislation to authorize the delegation of authority to approve payment of expenses of travel and household-goods transportation in connection with the transfer of civilian employees from one station to another. To Expenditure in the Executive Departments Committee. (p. 5910.)
17. LAND DISPOSITION. Naval Affairs Committee reported with amendment H.R. 4901, to authorize the sale of Moore Field (H. Rept. 1634) (p. 5910).
18. PAYMENTS IN LIEU OF TAXES. Received a petition from Oakland, N. J., favoring S. 1737, providing payment to States or their political subdivisions for loss of revenue resulting from U.S. acquisition of land for military purposes (p. 5911).

BILLS INTRODUCED

- 18a. REPORTS. By Rep. Cochran, Mo., H.R. 5001, to discontinue certain reports now required by law. To Expenditures in the Executive Departments Committee. (p. 5910.)
19. TENNESSEE VALLEY AUTHORITY. By Rep. McCord, Tenn., H.R. 5003, authorizing the TVA to convey to Tenn. for the use and benefit of the department of highways and public works certain easements and rights-of-way. To Military Affairs Committee. (p. 5910.)

20. ANIMAL DISEASES. By Rep. Rees, Kans., H.R. 5007, to enable the Secretary of Agriculture to suppress and extirpate contagious, infectious, and communicable diseases of dogs and other carnivorous animals. To Agriculture Committee. (p. 5910.)
21. FUR TAXES. By Rep. Knutson, Minn., H.J. Res. 296, to reduce the war tax rate on furs. To Ways and Means Committee. (p. 5910.)
22. EDUCATION. By Rep. McCormack, Mass., H. Res. 592, authorizing a study by the Education Committee of the effect of certain war activities on colleges and universities. To Rules Committee. (p. 5910.)

ITEMS IN APPENDIX

23. VIRGIN ISLANDS. Rep. Marcantonio, N.Y., inserted a resolution from the V. I. Government requesting a "larger share of self-government" (p. A3207).
24. PERSONNEL. Rep. Woodruff, Mich., inserted a Washington Closeup article, "Six to One Is Average Ratio of Federal to State Civilian Employees (pp. A3184-5).
25. FARM LOANS; VETERANS. Sen. Truman, Mo., inserted Sen. Clark's (Mo.) Democratic Digest article on S. 1767, the GI Bill of Rights (pp. A3196-7).
26. FARM MACHINERY. Rep. Rowan, Ill., inserted Fowler McCormick's (president of the International Harvester Co.) statement ^{on} farm-machinery production (pp. A3200-1).
Rep. Fulmer, S. C., inserted J.M. Eleazer's (Sumter Co. U.S.D.A. War Board statement urging provision for the sale of surplus equipment to farmers and servicemen returning to farming, and his bills, H.R. 4617 and H.R. 4990, on this subject (pp. A3208-9).
27. LIVESTOCK PRODUCTION AND DISTRIBUTION. Rep. Lanham, Tex., inserted a Kansas City Daily Drovers Telegram editorial concerning the problems facing livestock producers (p. A3201).
28. WATER UTILIZATION; IRRIGATION. Reps. Mansfield, Mont., and Slaughter, Mo., inserted newspaper editorials concerning the proposed Missouri River project and the use of its waters for navigation and irrigation (pp. A3183-4, A3195-6).
29. BUREAUCRACY. Rep. Gale, Minn., inserted a Minneapolis Star Journal editorial commending Rep. Herter's (Mass.) proposals to "improve and control" bureaucracy (p. A3205).
30. TRANSPORTATION. Extension of remarks of Rep. Coffee, Wash., including Dave Beck's address on his analysis of the motor transportation problems (pp. A3192-4).
Extension of remarks by Rep. Douglas, N.Y., favoring construction of the St. Lawrence waterway (p. A3202).
31. FOOD PRODUCTION; DAIRY INDUSTRY. Rep. Murray, Wis., inserted a Wis. Farm Bureau resolution claiming that "we have less instead of more milk production" (p. A3198).
32. PRICE CONTROL. Speech in the House by Rep. Bland, Va., concerning the necessity for greater fish production including WFA statements on the subject (pp. A3181-2).
Speech in the House by Rep. Jennings, Tenn., urging that the language in

the price-control bill be made plain in its meaning (pp. A3186-8).

Speech in the House by Rep. Dirksen, Ill., describing the "glut" of hogs on the market and favoring an amendment to the price-control bill which would require a processor to submit evidence that he paid to the producer a price which is not below price standards before he could receive a subsidy (pp. A3189-90).

Extension of remarks of Rep. Smith, Ohio, stating, "The O. P. A. is using its powers to destroy what is left of free economy and private ownership of property" (p. A3196).

Rep. Murray, Wis., inserted a George Lafbury Co. (Pittsburgh, Pa.) letter favoring price control of fresh fruits and vegetables (pp. A3201-2).

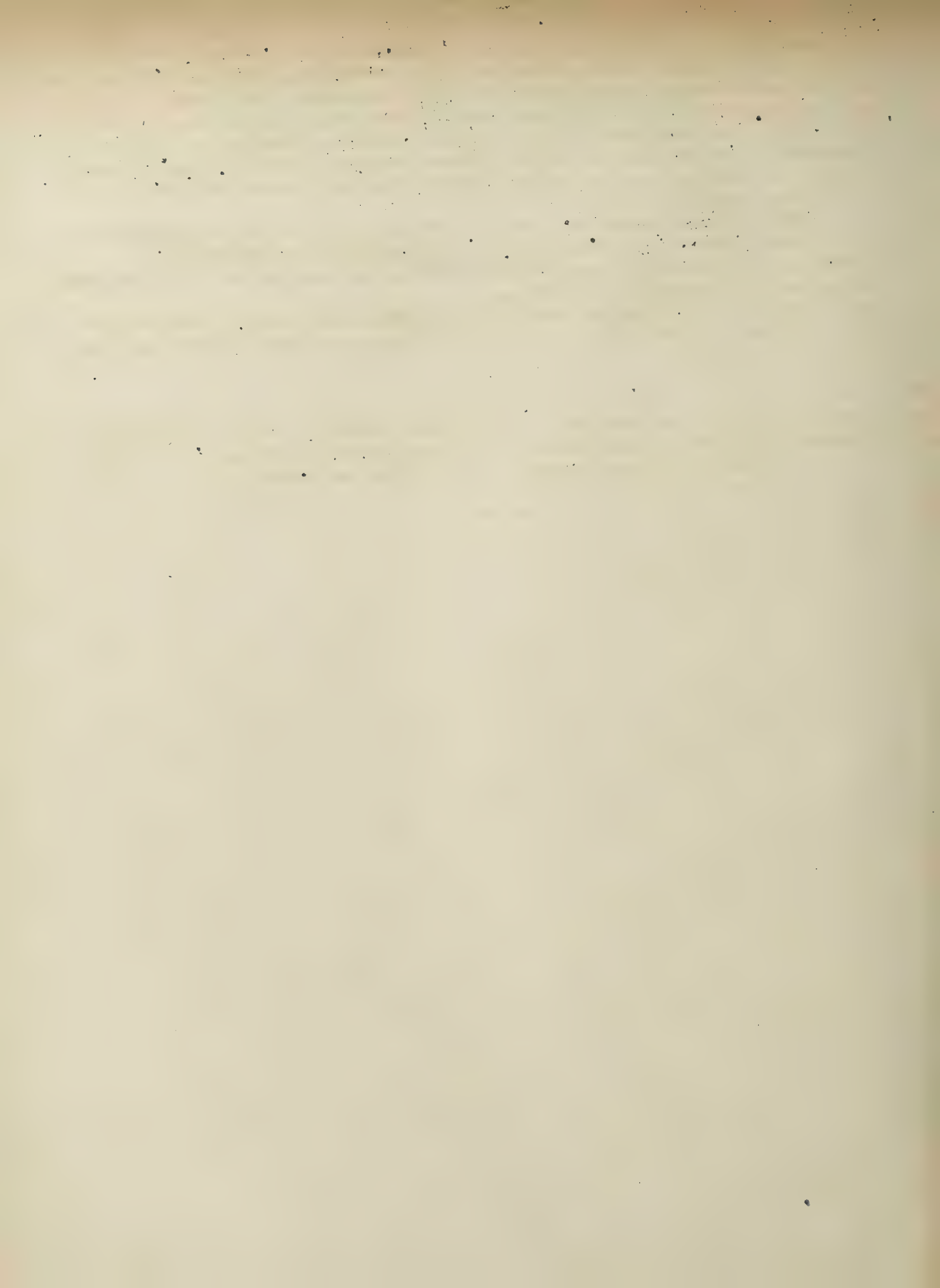
Extension of remarks of Rep. Murdock, Ariz., warning against "the frightful consequences" of inflation (p. A3206).

Rep. Cochran, Mo., inserted St. Louis Post-Dispatch and St. Louis Star-Times editorials opposing any changes in the Emergency Price Control Act (pp. A3206-7).

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For additional information and copies of legislative material referred to, call Ext. 4654 or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

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cerned, will be the first conference report to be called up.

Mr. RANKIN. But that will be after the O. P. A. bill is finished?

Mr. McCORMACK. Yes; and after the War Department appropriation bill is out of the way. If the G. I. conference report can go through without debate if the gentleman should call it up tomorrow I would be glad to have that done. Frankly, I cannot displace the O. P. A. bill and the War Department appropriation bill.

Mr. RANKIN. I may say to the gentleman from Massachusetts that I believe his conditions can be complied with.

Mr. McCORMACK. If that can be done and the gentleman will let me know, then we can make arrangements.

Mr. MAY. Mr. Speaker, if the gentleman will yield, when does the gentleman intend to take up the WASP bill?

Mr. McCORMACK. It is on the agenda, but that will come up after the insurance bill.

Mr. LAMBERTSON. Mr. Speaker, if the gentleman will yield, when does the gentleman from Massachusetts intend to call up the conference report on the Department of Agriculture appropriation bill?

Mr. McCORMACK. That will come up after the War Department appropriation bill is disposed of, the same as these other conference reports; but if the G. I. conference report can be disposed of right away, without debate or any other conference report in like manner, that is the only way I know of in which they could be expedited.

LAWRENCE APPELY

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I listened with a great deal of pleasure to the remarks of the gentleman from Wisconsin concerning Mr. Appley. He is to be commended for calling the attention of the House to the splendid service rendered by this gentleman.

It also gives me an opportunity, Mr. Speaker, to say that there are many others in the Departments who are also sacrificing their health and money rendering service to the Government. So often complaints are made about bureaucrats that we overlook the fact there are thousands of people in these Government bureaus serving at a sacrifice both financially and physically; so I am delighted that the gentleman called attention to a least one bureaucrat who has really rendered valuable service.

Mr. SABATH. There are many others too.

EXTENSION OF REMARKS

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an article by Mr. Beck on the problems of motor transportation. This exceeds the quota allowed by the Joint Committee on Printing. I have an estimate from the Government Printer that the cost will be

\$130. I renew my request to make the extension notwithstanding the cost.

The SPEAKER. Notwithstanding the cost, without objection the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an article by Barnett Nover in the Washington Post.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

UNION ACTIVITIES IN POLITICS

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I, too, received the report from Mr. Sidney Hillman referred to by the gentleman from Mississippi. As far as I can see it was a frank and open statement of expenditures of that concern. In my opinion the P. A. C. has just as much right under the law to expend funds in political activity as has the National Association of Manufacturers or the American Medical Association; and I want to say at this time that I have several thousand C. I. O. workers in my district, railroad brotherhood workers, also A. F. of L. workers. They have contributed very freely to bond drives, they have joined the armed forces. There are two million of them right now in the armed forces. Many of the dead on the beaches of France are union men. I say union men have just as much right to exercise their American citizenship as anyone else.

EXTENSION OF REMARKS

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—HAVEN OF REFUGE FOR OPPRESSED PEOPLES

The SPEAKER laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, referred to the Committee on Immigration and Naturalization and ordered printed.

To the Congress of the United States:

Congress has repeatedly manifested its deep concern with the pitiful plight of the persecuted minorities in Europe whose lives are each day being offered in sacrifice on the altar of Nazi tyranny.

This Nation is appalled by the systematic persecution of helpless minority groups by the Nazis. To us the unprovoked murder of innocent people simply

because of race, religion, or political creed is the blackest of all possible crimes. Since the Nazis began this campaign many of our citizens in all walks of life and of all political and religious persuasions have expressed our feeling of repulsion and our anger. It is a matter with respect to which there is and can be no division of opinion amongst us.

As the hour of the final defeat of the Hitlerite forces draws closer, the fury of their insane desire to wipe out the Jewish race in Europe continues undiminished. This is but one example: Many Christian groups also are being murdered. Knowing that they have lost the war, the Nazis are determined to complete their program of mass extermination. This program is but one manifestation of Hitler's aim to salvage from military defeat victory for Nazi principles—the very principles which this war must destroy unless we shall have fought in vain.

This Government has not only made clear its abhorrence of this inhuman and barbarous activity of the Nazis, but, in cooperation with other governments has endeavored to alleviate the condition of the persecuted peoples. In January of this year I determined that this Government should intensify its efforts to combat the Nazi terror. Accordingly, I established the War Refugee Board, composed of the Secretaries of State, Treasury, and War. This Board was charged with the responsibility of taking all action consistent with the successful prosecution of the war to rescue the victims of enemy oppression in imminent danger of death and to afford such victims all other possible relief and assistance. It was entrusted with the solemn duty of translating this Government's humanitarian policy into prompt action, thus manifesting once again in a concrete way that our kind of world and not Hitler's will prevail. Its purpose is directly and closely related to our whole war effort.

Since its establishment, the War Refugee Board, acting through a full-time administrative staff, has made a direct and forceful attack on the problem. Operating quietly, as is appropriate, the Board, through its representatives in various parts of the world, has actually succeeded in saving the lives of innocent people. Not only have refugees been evacuated from enemy territory, but many measures have been taken to protect the lives of those who have not been able to escape.

Above all, the efforts of the Board have brought new hope to the oppressed peoples of Europe. This statement is not idle speculation. From various sources, I have received word that thousands of people, wearied by their years of resistance to Hitler and by their sufferings to the point of giving up the struggle, have been given the will and desire to continue by the concrete manifestation of this Government's desire to do all possible to aid and rescue the oppressed.

To the Hitlerites, their subordinates and functionaries and satellites, to the German people and to all other peoples under the Nazi yoke, we have made clear

our determination to punish all participants in these acts of savagery. In the name of humanity we have called upon them to spare the lives of these innocent people.

Notwithstanding this Government's unremitting efforts, which are continuing, the numbers actually rescued from the jaws of death have been small compared with the numbers still facing extinction in German territory. This is due principally to the fact that our enemies, despite all our appeals and our willingness to find havens of refuge for the oppressed peoples, persist in their fiendish extermination campaign and actively prevent the intended victims from escaping to safety.

In the face of this attitude of our enemies we must not fail to take full advantage of any opportunity, however limited, for the rescue of Hitler's victims. We are confronted with a most urgent situation.

Therefore, I wish to report to you today concerning a step which I have just taken in an effort to save additional lives and which I am certain will meet with your approval. You will, I am sure, appreciate that this measure is not only consistent with the successful prosecution of the war, but that it was essential to take action without delay.

Even before the Allied landing in Italy there had been a substantial movement of persecuted peoples of various races and nationalities into that country. This movement was undoubtedly prompted by the fact that, despite all attempts by the Fascists to stir up intolerance, the warm-hearted Italian people could not forsake their centuries-old tradition of tolerance and humanitarianism. The Allied landings swelled this stream of fleeing and hunted peoples seeking sanctuary behind the guns of the United Nations. However, in view of the military situation in Italy, the number of refugees who can be accommodated there is relatively limited. The Allied military forces, in view of their primary responsibility, have not been able, generally speaking, to encourage the escape of refugees from enemy territory. This unfortunate situation has prevented the escape of the largest possible number of refugees. Furthermore, as the number of refugees living in southern Italy increases their care constitutes an additional and substantial burden for the military authorities.

Recently the facilities for the care of refugees in southern Italy have become so overtaxed that unless many refugees who have already escaped to that area and are arriving daily, particularly from the Balkan countries, can be promptly removed to havens of refuge elsewhere, the escape of refugees to that area from German-occupied territory will be seriously impeded. It was apparent that prompt action was necessary to meet this situation. Many of the refugees in southern Italy have been and are being moved to temporary refuges in the territory of other United and friendly Nations. However, in view of the number of refugees still in southern Italy, the problem could not be solved unless temporary havens of refuge were found for

some of them in still other areas. In view of this most urgent situation it seemed indispensable that the United States, in keeping with our heritage and our ideals of liberty and justice, take immediate steps to share the responsibility for meeting the problem.

Accordingly, arrangements have been made to bring immediately to this country approximately 1,000 refugees who have fled from their homelands to southern Italy. Upon the termination of the war they will be sent back to their homelands. These refugees are predominantly women and children. They will be placed on their arrival in a vacated Army camp on the Atlantic Coast where they will remain under appropriate security restrictions.

The Army will take the necessary security precautions and the camp will be administered by the War Relocation Authority. The War Refugee Board is charged with over-all responsibility for this project.

FRANKLIN D. ROOSEVELT.

The WHITE HOUSE, June 12, 1944.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE IN RE VETERANS' BILL

Mr. RANKIN. Mr. Speaker, in view of what the gentleman from Massachusetts [Mr. McCORMACK], the majority leader, said awhile ago, I ask unanimous consent that, immediately following the conference report on the veterans' bill, I may insert in the RECORD the statement of the managers on the part of the House in order that the Members may have it to read tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

CALL OF THE HOUSE

Mr. McMURRAY. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 86]

Arnold	Gale	Morrow
Baldwin, Md.	Gallagher	Miller, Conn.
Baldwin, N. Y.	Gerlach	Mills
Barry	Granger	Mruk
Bell	Gross	Murphy
Bender	Harless, Ariz.	Myers
Boren	Horan	O'Connor
Bradley, Mich.	Izac	Patman
Brumbaugh	Jensen	Patton
Buckley	Johnson, Ward	Peterson, Ga.
Burdick	Kennedy	Plumley
Capozzoli	Keogh	Pracht
Chapman	Klein	C. Frederick
Dickstein	Lane	Rabaut
Dies	Lemke	Smith, W. Va.
Dirksen	Lewis	Stearns, N. H.
Ellis	McCord	Stewart
Ellsworth	Maas	Taylor
Fay	Magnuson	Treadway
Forand	Mansfield, Tex.	Whelchel, Ga.
Fulbright	Martin, Iowa	
Fuller	Merritt	

The SPEAKER pro tempore. On this roll call 355 Members have answered to their names, a quorum is present.

By unanimous consent further proceedings under the call were dispensed with.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4941, extension of the Emergency Price Control and Stabilization Acts of 1942, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I ask unanimous consent to proceed an additional 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. OUTLAND. Mr. Chairman, I have asked for these extra 5 minutes at the beginning of our discussion this afternoon to try to summarize developments and to bring us up to date on just exactly what we have done on the stabilization and price-control program thus far. At the outset of the most critical campaign of the war in Europe we are considering the most crucial of all legislation affecting the home front. What we are now doing, if it is written into law, will not only affect the pocketbook of every man, woman, and child in our country, but will affect the conduct of the war and the length of the war. It will also go far to determine whether the soldiers and sailors now doing battle in the four corners of the earth, when they return after the fighting is over, will return to a country torn by the ravages of inflation or to a country which offers the hope of a future of the kind for which they have been fighting. I am wondering if this Congress wishes to be remembered as the Congress which set the stage for the break-through on the home front. I ask the committee to pause for a moment this afternoon, Mr. Chairman, to take stock of what we are doing and to consider whether, if it does not reverse its course, that is not precisely the record which it is building for itself.

Mr. Chairman, the House in Committee of the Whole has already agreed to several amendments which were not contained in the bill which was reported to the House by the Committee on Banking and Currency. Nearly a score of amendments to section 2 of the bill alone remain to be considered and the gentleman from Virginia has stated that he intends to offer a great many other amendments at the proper time. There have been six amendments already agreed to. Taken together they are enough to shake the existing struc-

ture of price control. In adopting them the Committee of the Whole has again and again rejected the judgment of the Committee on Banking and Currency which committee is informed as a result of extended and intensive hearings. It has rejected the views of the Price Administrator, based on his 2½ years' experience in administering price control in both State and national offices. Mr. Chairman, we cannot continue in this way and hope to pass a bill which will safeguard the present general level of prices and wages, which will protect the value of the dollar which depends on those prices, and which will insure the stability of costs and prices that is so necessary if war production is to be carried on with confidence and that is vital if a post-war collapse is to be avoided.

The proof of this statement is in the record of amendments already agreed to. Let us examine the amendments for a moment one by one and see what we have done thus far to this bill, which was brought out of the committee.

First, a standard for pricing fish which will carry the ceiling of this important cost-of-living food up an estimated 25 percent, and which, because it makes no provision for seasonal adjustments, gives to the sellers of fresh fish an advantage not enjoyed by producers of agricultural commodities.

Second, an adjustment provision for rents which will impose a staggering administrative burden on the O. P. A. which could be escaped only by loose administration, leading to a vast number of increases in rents, many of which would be obtained only at the expense of the families of our servicemen, war workers, and those living on fixed incomes.

Earlier in our discussion I pointed out that the Committee on Banking and Currency had done its best to attempt to bring equity and justice in the relationship between tenant and landlord; that we had amended the bill in order to take care of unusual circumstances and peculiar cases, and in my judgment and in the judgment of other members of the committee, that situation would be handled by the changes we made in the bill. But the amendment we have added here will only add further to the complications.

Third, a prohibition on the highest-price-line limitation which will frustrate the administration's efforts to maintain a supply of low-priced apparel on the market, just as the Administrator was putting into effect changes in existing regulations designed to meet such justifiable complaints as had been directed against the operation of the limitation in the past.

I am wondering, when we find low-priced clothing driven off the market altogether, if this amendment is going to prove as popular as you thought it would at the time we enacted it into this bill.

Fourth, a new standard for the price of crude petroleum which the sponsor concedes will mean an increase of 35 cents a barrel on crude, an increase, without any increase in refiners' dis-

tributors' margins will amount, when it reaches the Government and industrial and home consumers, to an annual total of \$560,000,000.

I have heard a great deal about the need for economy here in Congress these past few months. The minority Members of this body especially have talked at great length about economy. If ever there was a chance to put economy into operation it was to vote down the amendment to the price-control bill, which is bound to increase our total national debt and the debt to the consumer by an amount of \$560,000,000 at the minimum. I recognize the need for increased funds for stripper wells of independent producers; however, we could meet this need more effectively and far more cheaply in other ways than that proposed by the amendment.

Fifth, an exemption of all sales held by receivers or other court officers, a provision the precise effect of which has not been determined, but which is likely to lead to efforts at circumvention and evasion. This particular amendment was never considered in committee. It has a worthy goal, but we do not know all it may do, and I feel myself that we acted very hastily in passing this amendment in the Committee of the Whole.

Sixth, an unworkable condition to the payment of subsidies to processors of agricultural commodities which, though designed to aid the farm producer, is likely to bring about the break-down of a system of subsidization that in fact is working as effectively as any practicable system can to help the farm producer. Again we have the case of a worth-while goal but an ill-considered means of achieving that goal.

Mr. Chairman, it is always true that a single group can benefit from price increases if the prices of other groups do not rise proportionately. But it is also true that nobody can benefit if all prices go up. In that direction lies uncontrolled inflation. Earlier in the debate somebody pointed out that the particular amendment that was being discussed at the time would mean only \$5 or \$6 more per month added to the consumer. A soldier's wife with two children gets a total allowance of \$100 a month. It means a great deal to that woman if there is \$5 added here and \$5 added there. Every penny counts as she has to figure out ways of making both ends meet. It means a great deal to the person on a fixed income, a person living on a small pension, those on salaries and wages that are frozen. When we start to raise the cost of living only a few dollars, I wonder if we are fully cognizant of what that means to millions and millions of low-income workers.

The House is simply not in a position to determine which of the numerous special-interest groups which would like price increases should be given them, and which should be denied. Right now the House would be unable to prove that the groups to which it has already voted price increases have any better claim than hosts of other groups which are asking for them.

The overwhelming danger is that, lacking any fair basis for turning down some claims after granting others, the committee will be forced to yield to more and more of them. That way lies disaster. That way lies discredit for the Congress, which will have given graphic proof of inability to put the national interest in time of war above special interest.

A famous American, a former President of the United States, once stated he would rather go down with a cause that he knew to be right than to survive by backing a cause that he knew to be wrong. I am hoping that during this national emergency there will be enough Members of this Congress willing to go down fighting for the principle of price control, even if we do lose the battle to special-interest groups.

Mr. Chairman, I appeal to the Committee, as I intend to appeal to the House, to turn away from partisanship, to turn away from sectionalism, to turn away from selfishness, and to rise to the responsibility that is ours by reversing the present course and by passing a bill by which all prices and all wages can be held stable, as in their sober judgment I am sure the overwhelming majority of the American people of this country desire.

The CHAIRMAN. The time of the gentleman from California [Mr. OUTLAND] has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Who does the gentleman want to ask?

Mr. BREHM. It has been charged by various Members that any amendments which we have adopted or may adopt, will retard and even lengthen the war. I would appreciate it if that could be explained. That is the question I wanted to ask the gentleman from California. He made that statement. How will corrective amendments lengthen the war?

Mr. OUTLAND. I am sorry I did not hear the first part of the gentleman's question.

Mr. BREHM. The gentleman has made the statement, as well as other Members, that amendments which we have adopted or might adopt will retard or even lengthen the war.

Mr. OUTLAND. Yes; crippling amendments.

Mr. BREHM. I would appreciate it if the gentleman would explain just how. I ask in order to obtain information and not in the spirit of criticizing the gentleman's statement.

Mr. OUTLAND. I would be glad to give one example that comes to mind, off-hand. We are doing our very best to maintain more amicable working relationships between management and labor in this country. If some of these amendments are passed, and some of the others that are being proposed also are passed, we are going to increase the cost of living to the point where requests for increased wages are going to be irresistible. That is going to send the spiral up-

ward. It is going to bring about more stoppages in war production. It is going to cut down more efficient production of planes and ships, in my judgment. If I had more time I would be happy to answer the gentleman more in detail.

Mr. COCHRAN. Mr. Chairman, I was perfectly willing to yield for the question, because the gentleman from California [Mr. OUTLAND] expressed my sentiments. We are now engaged in the really big battle of the home front. If you will stop and look at what happened in the First World War, you will then begin to realize the value of price control. All you have to do is compare what happened in the First World War with what is happening during this war. I feel that we—and when I say “we” I mean every Member of this House—should realize that under the reapportionment we are supposed to represent at least 300,000 people. Now, take the number of telegrams you have received from this group or that group asking you to adopt some amendment. Subtract from that 300,000 the number of telegrams, and then you will learn just how many people are looking to us to protect their interests.

After weeks of hearings the Committee on Banking and Currency presents a bill extending the Price Control Act. So far as the report is concerned we fail to find where any one of the 26 members opposes the bill. To say the least, that is remarkable.

This law was enacted to prevent a repetition of what occurred during and after the First World War. Seeing the danger of inflation unless there were some control, the administration advocated the passage of a law. It was to meet an emergency and will only be on the statute books as long as the emergency exists.

The law has held down the cost of living, and industrial prices have been stabilized. No one can challenge that statement.

In testimony before the Banking and Currency Committee the Administrator of Price Control showed the dollar was worth 33 cents at the end of the War of the Revolution; 44 cents at the end of the inflation following the Civil War; and 40 cents after the end of inflation following World War No. 1. He further disclosed during World War No. 1 the following happened:

	Price at start of war	Price at end of inflation
Bread, per 1-pound loaf.....	6.2 cents.....	11.9 cents.
Round steak, per pound.....	24.4 cents.....	45 cents.
Sliced ham, per pound.....	27.4 cents.....	60.4 cents.
Butter, per pound.....	34.2 cents.....	78 cents.
Eggs, per dozen.....	30.2 cents.....	92.4 cents.
Potatoes, per pound.....	2.6 cents.....	10.3 cents.
Sugar, per pound.....	5.2 cents.....	26.7 cents.
Percale, per yard.....	12.9 cents.....	52.8 cents.
Bituminous coal, per ton.....	\$5.46.....	\$12.53.
Anthracite coal (stove ton), per ton.....	\$7.60.....	\$16.22.
Gas (manufacturing, per 1,000 feet).....	94 cents.....	\$1.32.
Sheets, each.....	81 cents.....	\$2.81.
Blankets, each.....	\$3.13.....	\$6.49.

As the testimony continued it was shown a fixed income of \$2,000 in 1914 was worth \$960 when inflation ended after the war.

Many other examples showed the destruction resulting from inflation. For instance, 105,996 businesses, mostly small businesses, failed. Unemployment increased 5,624,000 from 1919 to 1921. Factory pay rolls shrank 44 percent. The wage earner who received \$27.50 weekly found its purchasing power was equal to only \$20.70 during the inflation period. In time farm prices collapsed. While the average farm income in 1919 was \$1,360, it amounted to but \$460 in 1921. As a result, by 1926, 453,000 farmers lost their farms.

It was to prevent a repetition of this that Congress enacted the Price Control Act. The O. P. A. was charged with the responsibility of providing for fair distribution to all of what food and other commodities were available; to hold down the cost of living; to prevent increase in rents; to reduce war costs by controlling prices of war materials.

When we were forced into this war we had no shortages, but, on the contrary, surpluses. The first big jolt was the announcement that our rubber supply was cut off by the Japs. We had passenger cars, trucks, and busses—over 34,500,000—but there would not be tires for all when needed. It was necessary to ration what we had. Destruction of ships caused a shortage of sugar, which was also rationed. This was followed by the rationing of gasoline and fuel oil as the enemy sank tankers off our coast. Had this not been done money would have been the factor in determining who would ride and who would walk, who would be warm and who would be cold. An equal opportunity for all to receive their share of what was available was the objective. It was to reach the same objective that meats, processed foods, coffee, shoes, and other commodities were rationed. Every citizen was put on an equal footing. As other orders were issued, the rich or poor were all treated alike so all were sure to get their share of butter, meats, and so forth. Had that action not been taken the employer would, by reason of his income, been able to buy all he wanted for his family, while the employee and his family would have been required to be satisfied with what was left. Prices would have been uncontrolled. There were no exceptions. To protect the 130,000,000 people it was necessary to stabilize prices as well as regulate rents. It was not until the spring of 1943 that increases in cost were finally stopped, and then the hold-the-line price program was inaugurated.

The success of this program has been due to the hundreds of thousands of patriotic men and women who volunteered as workers. For every paid employee there are a dozen volunteers working without pay.

Of course there were mistakes. There were complaints by the thousands, but when the program was thoroughly understood the complaints dwindled. The people learned it was necessary to sacrifice on the home front so those in the armed forces could be taken care of.

The O. P. A. contends the record shows 72 percent, or \$13,500,000,000, of the cost of World War No. 1 was due to inflationary price increases.

The present law expires June 30, 1944. The bill before us extends the law until June 30, 1945.

During the consideration of this bill group after group seek to destroy the hold-the-line price program. We are flooded with telegrams and letters to vote for this or that amendment. Everyone who seeks a change has a selfish interest. They want to increase their profits. We must remember we are the representatives of all the people and the great, great, majority of the 130,000,000 people will pay the increase in cost if we fail to hold the line.

Take cotton. Despite the fact that cotton—wholesale—leads in increase, the percentage being 105 in the last 52 months, still the producer, the processor, and industry ask for more.

There was no justification for the passage of the oil amendment and I hope it will be defeated on a roll call. It will not only greatly increase the cost of transportation, but the cost of war. We will pay a great deal more for the gasoline needed for our planes, tanks, and so forth, as well as for fuel for our ships to take our men and women overseas, and the necessary supplies to the front. Everyone has been making money. The national income is larger by far than it ever was. Prosperity is here as it never was before, but still the selfish groups are not satisfied and put on the pressure.

What we should do is to give the power to O. P. A. to continue and provide ways and means for better enforcement as well as enlarge the facilities that seek to destroy the black markets. As the O. P. A. says: Prices are holding; rationing is working; O. P. A. is operating more smoothly.

You know and I know what will happen if we cripple this law and destroy the hold-the-line program.

In casting my votes on this bill I am going to think of the consumers, and not the selfish interests who desire to increase their profits.

We can depend upon O. P. A. to correct situations that should be corrected. As I see it, it is our duty to hold the line. I will help to throw back those who desire to break it.

As I said, this is really the big battle on the home front.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. SPENCE. Mr. Chairman, may I inquire how many amendments are pending at the Clerk's desk at this time?

The CHAIRMAN. There are about 12 amendments to section 2.

Mr. SPENCE. I should like to see if we cannot agree on time for debate for the balance of section 2.

Mr. Chairman, I ask unanimous consent that all debate on section 2 and all amendments thereto close in 2 hours.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, that just shuts out eight this morning; that is in addition to what were on the desk last night.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky that all debate on this amendment and all amendments thereto close in 2 hours?

Mr. SHAFER. Mr. Chairman, I object.
Mr. SPENCE. Mr. Chairman, I move that all debate on section 2 and all amendments thereto close in 2½ hours.

The motion was agreed to.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Just who will be recognized on these amendments and in what order?

The CHAIRMAN. The Chair is unable to advise the gentleman definitely. The Chair will, of course, endeavor to apportion the time as equitably as possible to those who have amendments now on the desk.

Mr. EBERHARTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. Can the Chairman advise the Committee whether or not the amendments now pending will be voted upon at the close of the 2½ hours or as the sponsors finish their arguments with respect to each?

The CHAIRMAN. The Chair will certainly endeavor to dispose of them as promptly and as expeditiously as possible.

Mr. EBERHARTER. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. Under the procedure we are following, some five or six amendments may be left to be disposed of at the last moment before the 2½ hours' debate expires. Is that correct?

The CHAIRMAN. It is possible.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Will those in opposition to specific amendments have an opportunity to be heard before the amendments are read and adopted as far as the proponents are concerned?

The CHAIRMAN. All this time, of course, is coming out of the 2½ hours. The amendments naturally will be disposed of as they are called up and reported.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. The Chair just stated that the time would be apportioned between those offering the amendments now on the Clerk's desk. Just before we adjourned Saturday evening the question was asked how many amendments there were and I then notified the Chair and the majority leader that I had quite a number of amendments emanating from the select committee, of which I am chairman, that were not at the Clerk's desk and are not at the Clerk's desk now.

Is it the ruling of the Chair that those amendments and amendments offered by others who have not put them on the Clerk's desk may not be allotted time? Because there is no ruling that requires a Member to put an amendment on the Clerk's desk before offering it.

The CHAIRMAN. The Chair can only repeat what the Chair has stated before, that the Chair will endeavor to consider amendments as expeditiously and promptly as possible.

Mr. SMITH of Virginia. I want to get straight on this; does the Chair mean to say that no amendment can be adopted except those at the Clerk's desk?

The CHAIRMAN. No; the Chair did not say that.

Mr. SMITH of Ohio rose.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. SMITH of Ohio. To strike out the last word, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. SMITH of Ohio. Mr. Chairman—

Mr. BREHM. Mr. Chairman, will the gentleman yield for a very brief question?

Mr. SMITH of Ohio. I wish to proceed with my statement first, if the gentleman will permit.

Mr. Chairman, section 11 of this bill should, in my judgment, be stricken out.

This provision received practically no discussion in the committee. It was offered while I had stepped out of the committee room for just a few minutes. When I returned the vote on it was being taken. I could learn little about it except that it provided that the Banking and Currency Committee should become an investigating body of the O. P. A.'s activities.

After having had an opportunity to read the provision, I found that it authorized the Banking and Currency Committees of the House and Senate to become continuous and permanent investigating committees of the administration of the O. P. A. This is to be the law of the land. So far as I know, this is the first time any committee in the Congress has asked for a law to authorize it to investigate and watch over the administration of legislation under its jurisdiction and report to the House for action. It has been argued that the Committee on Military and Naval Affairs and the Lanham committee investigate the administration of the laws they enact. As I understand it, that is a voluntary proposition on their part and does not derive from any statutory authority. In any event, it matters not what any other committees may do in this respect. I do not want to see the Banking and Currency Committee undertake the function for which section 11 of this bill provides.

Members of Congress are already greatly overburdened with work. It is impossible for any of us to properly perform the multitudinous tasks that now devolve upon us. This would increase the burden of the members of our committee, further dissipate their energies, and add to the ineffectiveness of their work.

We may well imagine what may happen should the people throughout the country learn that the Committees on Banking and Currency of the House and Senate have set themselves up as watchdogs over the regulations and orders of the O. P. A., if this provision is really

intended to mean anything. Every member of the Banking and Currency Committee would have to be provided with a goodly sized staff of secretaries and stenographers and special quarters to answer complaints and grievances against the O. P. A. Most of the Members of this House, especially we Republicans, have been protesting vehemently against the ever-increasing bureaucracy. But here is a proposal which would make one of the standing committees of Congress a part of the Federal bureaucracy.

What will the public think? The reputation of Congress in the matter of investigating the administration of the laws it passes is already somewhat in disrepute. Would this help that situation any?

Expressing my own personal view only, I want to say that to me statesmanship should be above such action as is contemplated here. We should have confidence enough in our own work to make it unnecessary to keep watching over it to see whether or not it is being administered properly. Furthermore, when the administrative branch of the Government has deteriorated to the point where it needs such watching as is contemplated here, no amount of investigating or checking by congressional committees of the administration of the laws Congress passes can possibly do any good.

Keep in mind also that the procedure which this provision contemplates could just as easily as not become a whitewashing affair for the mistakes and mischiefs of the O. P. A.

Let us strike out section 11 of this bill and uphold the dignity of this legislative body.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am interested in the gentleman's observation. I know that the gentleman from Ohio [Mr. SMITH], has been one of the best watchdogs of administrative acts that we have had in the Congress for many years, and I know, further, that we have to watch some of these long-haired gentlemen to whom many have referred here because they are trying to change our form of government, and the gentleman knows that.

Mr. SMITH of Ohio. That is correct.

Mr. BREHM. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Ohio.

Mr. BREHM. I have been attempting to get an answer as to how any corrective amendments that we may add to this legislation to help the administration would prolong the war, and the only answer I have received is that it might cause a disruption of relations between labor and management. If that be so, is not the answer to that question an overall labor policy which should be submitted to the Congress promptly which would deal favorably with both labor and industry and not attempt to evade the issue by saying that corrective amendments to this legislation will prolong the war?

Mr. SMITH of Ohio. Yes.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the rule under which we are considering the present bill provides that debate shall be confined to the bill. I think debate should be confined to the amendments that are offered and I am going to insist from now on that all debate be confined to the bill and to amendments under consideration.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BRADLEY of Michigan: Page 11, line 2, at the end of section (g) insert "Provided, however, That nothing in this act shall be applied to any person, who having been duly notified of his impending induction into the armed services, in the process of liquidating his own property may have exceeded the established maximum price for the commodity thus disposed of."

(Mr. BRADLEY of Michigan asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BRADLEY of Michigan. Mr. Chairman, this amendment is a vitally needed amendment, a constructive amendment to the O. P. A. program. It merely seeks to give justice to those among our young folks who may be called up for service in the armed forces and who, having been duly notified of their call to serve the armed forces, in the process of liquidating their own personal holdings may not be accused or penalized by the O. P. A. for violating any of the so-called maximum-price regulations.

Mr. Chairman, I have before me a letter applying to a typical case in my district of a man who was a painting contractor. He had taken over the business left him by his father-in-law, a business which had been somewhat run down but which by industrious effort on his part he had built up into a going, paying concern. He got word that he was to be inducted, and, offering no objection whatever to serving in the armed forces, he attempted to liquidate his holdings and to leave whatever he had left to his wife and family. In this process he sold to a man in town, a florist, a General Motors truck that had some 18,000 miles on it for \$450. The florist of the town was unable to buy any such truck any place else, and it was admirably suited for his business. He later testified that he would be unwilling to dispose of the truck for as much as \$100 more than he paid for it originally. Then along comes O. P. A. and they asked this painting contractor about to go into the service to fill out a report for the transfer of this truck on which a ceiling price had been established. They told him he had received \$108 more than the ceiling price provided, therefore he should immediately turn over to the Government the \$108, or, failing to do so, the O. P. A. would institute a suit against him for triple damages.

Mr. Chairman, I am sure this Congress in the enactment of the original O. P. A.

Act and in establishing ceiling prices on trucks meant no such interpretation whatsoever, and, in my opinion, in justice to these boys and these girls who are going into the service and who seek to liquidate their own property, not for the purpose of evasion or for the purpose of violating any of the maximum price laws but simply to get what they are entitled, namely, the best price possible for their personal belongings and thus leaving that much to those they leave behind, this Congress should accept this amendment as being entirely logical and perfectly justifiable for the protection of these folks who are going into our armed forces.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the gentleman's amendment apply only to veterans?

Mr. BRADLEY of Michigan. No; it applies to any person who may be duly notified he or she is about to be inducted into the armed services, either by draft or through enlistment. Everybody is inducted either by draft or enlistment. It applies only to these persons who may seek to liquidate their own personal property and it prevents O. P. A. of claiming they violate some of these maximum-price regulations. It has nothing to do with the creation of any black market. He or she is simply selling his own personal belongings to anyone who can use them and getting the best price he can for them before he goes into the armed forces. This is a matter of simple justice. These folks about to be inducted are not out to violate the law or the O. P. A. regulations, they are not indulging in any black-market operations, and they are not out to gip any one. They are not in the business of transferring commodities which have been rationed or upon which maximum prices have been set. They have been called up for service in the armed forces of this Nation to protect the American way of life and they seek simply to liquidate their own personal holdings at the best price obtainable. Is there any injustice in that? Can any man on this floor stand on his two feet and deny this right to those who may be about to die?

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from California [Mr. OUTLAND] in opposition to the pending amendment.

Mr. OUTLAND. Mr. Chairman, for the benefit of the committee I would like to read the entire section to which the amendment is added:

Regulations, orders, and requirements under this act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

Mr. Chairman, there is not a man in this House who does not want to do everything possible to make the lot more easy for the man who is about to go into the armed services or for his family, but I question very seriously whether we wish to countenance in this Congress circumvention or evasion of the law even by the man who is about to go into the service.

Under the amendment introduced by the gentleman from Michigan it would be possible for some unscrupulous dealer to transfer goods under the name of a soldier and thus sell them at any price, yet he could not be touched under the amendment.

Furthermore, the gentleman from Michigan has pointed out that in the case in his own home town triple damages were assessed. The committee, realizing that automatic damages very frequently worked an injustice, later on in the bill struck out the provision having to do with triple damages, so it will not come up in the case cited.

Mr. BRADLEY of Michigan. Will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. I may say to the gentleman that I discussed this very case with the chief enforcement attorney over there in the O. P. A., Mr. Lieberman, and he told me that under the terms of the law they had no alternative but to assess this man triple damages.

Mr. OUTLAND. That is correct at the present time, but this revised bill remedies the situation.

Mr. BRADLEY of Michigan. I am seeking redress for that man. I think the gentleman is giving a rather far-fetched interpretation of this thing when he says that some unscrupulous dealer could transfer something under cover to a soldier about to be inducted. In the first place, as applied to this truck dealer I am talking about, that dealer cannot transfer the truck to anyone unless he makes a report. I am talking about the man's own personal property.

Mr. OUTLAND. The gentleman from Michigan is correct when he states that under the present law triple damages are automatic. Let me point out though that we are changing the law and later on in the act you will note that the provision covering triple damages has been stricken out. It becomes then a matter of discretion with the court whether one and a half or triple damages be assessed.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

Mr. HOFFMAN and Mr. CELLER rose.

The CHAIRMAN. If we are going to dispose of the amendments, we cannot debate the same amendment all day. For what purpose does the gentleman from New York rise?

Mr. CELLER. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. What disposition will be made by the Chair of those rising in opposition to the amendment?

The CHAIRMAN. Does the gentleman rise in opposition to the amendment?

Mr. CELLER. Yes.

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. HOFFMAN. In support of the amendment, Mr. Chairman.

The CHAIRMAN. That is, up to the Committee to decide. If you are going to take up all day on each amendment, you will never get them disposed of under the time allotted. Under the rule, 5 minutes is allowed for and 5 minutes against each amendment.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. If that is the rule, all right, but I did not understand that that was the rule.

The CHAIRMAN. That is the rule.

Mr. CELLER. Mr. Chairman, I ask for recognition.

The CHAIRMAN. For what purpose?

Mr. CELLER. In opposition to the amendment.

The CHAIRMAN. That is not in order.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BRADLEY of Michigan) there were—ayes 22, noes 76.

So the amendment was rejected.

Mr. CLEVINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVINGER: Page 12, line 2, strike out the quotation mark, and after line 2, insert the following subsection:

"(g) No maximum price shall be established or maintained under this act or otherwise with respect to second-hand household goods or second-hand farm equipment or machinery purchased for use or consumption by the purchaser and not for resale."

Mr. Chairman, the amendment which I have offered relates to the sale at public auction of second-hand farm equipment or machinery and second-hand household goods, purchased for use or consumption and not for resale.

When this bill was being considered by the Banking and Currency Committee I appeared before that committee and presented petitions containing the signatures of approximately 3,000 persons, petitioning Congress to abolish O. P. A. restrictions on second-hand household goods and second-hand farm equipment or machinery sold at public auction. Since that time I have received petitions containing the signatures of several thousand additional names.

We all know that much confusion and many unnecessary hardships exist in attempting to comply with O. P. A. regulations in the sale of second-hand farm machinery and second-hand household goods at public auction. Often the auctioneer cannot be certain what the ceiling price is on this second-hand equipment. Without reflection upon the local Price Administration boards, it is difficult and sometimes impossible for them to correctly inform the auctioneer of the ceiling price on second-hand farm equipment. In one particular instance in my district, immediately before a public sale the auctioneer was informed by his local O. P. A. board that the ceiling price on a certain truck was \$670. Four days after the sale the purchaser of the truck was informed that the ceiling price was \$574.42.

Another auctioneer innocently sold second-hand farm equipment above the ceiling price and triple damages were imposed by the Office of Price Administration amounting to \$3,600.

Why all of this confusion and persecution when it does not save a single ounce of steel or other essential material? It is not infrequent that 25 persons will immediately bid the ceiling price on a second-hand piece of equipment.

Office of Price Administration regulations make no provision for determining who shall be the successful purchaser when two or more persons bid the ceiling price, but the most common practice is to cast lots; yet lotteries are illegal in most States and are frowned upon by the Federal Government.

Can anyone say that the most-deserving person or the one who has the most need for this farm equipment is to become the owner of it under the present system?

It is a well-known fact that many articles of value, at a farm auction, sell at a very small fraction of their real worth, yet under present restrictions this cannot be offset by other articles that would sell for more, on which there is a ceiling price. It is an unfair practice and serves no good purpose.

I hope the amendment which I have offered will be adopted by the committee.

Mr. Chairman, I declare that a public auction enables any person to place his own ceiling upon the article offered for sale. He alone determines the price he is willing to pay; no one compels him to buy. No price-fixing seems to be needed for used goods.

The first of these rulings caused great financial penalties, the third and last resulted in despair, desperation, and death—when this innocent Michigan farmer lost his reason and took his own life, the story of which I will include in my remarks.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. CLEVINGER. I yield to the gentleman from Michigan.

Mr. SHAFER. Not only was he arrested, but the auctioneer was taken in for questioning by the O. P. A.

Mr. CLEVINGER. This has gone on from Pennsylvania all across the country.

Mr. GRANT of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CLEVINGER. I yield to the gentleman from Indiana.

Mr. GRANT of Indiana. We have had many cases such as that in my own district, and it is having the effect of driving the farm machinery of our country into the black market. I say let us adopt the gentleman's amendment and stop this business of driving farm machinery into the black markets.

Mr. CLEVINGER. The Thirty-seventh Ohio Division, as well as the Thirty-second Division from Michigan, is now fighting in New Guinea and Bougainville. If you have a son over there, ask yourself this question: What price would you put on a tractor to feed that boy? For a machine to replace his hands.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CLEVINGER. I yield to the gentleman from Kentucky.

Mr. SPENCE. I would like to know how the seller would know what the purchaser was going to do. He would have to search the purchaser's conscience, and I think that would be impossible.

Mr. CLEVINGER. I would like to have the gentleman cite to me an instance where in the last three or four hundred years, either in American or British jurisprudence, there has ever been such cruel and inhuman penalties inflicted upon anyone as upon these men. I cannot support a bill that makes this possible.

Mr. SPENCE. That is not the question I asked. My question is: How are you going to enforce this unless you can search the purchaser's conscience?

Mr. CLEVINGER. I have repeatedly suggested before the committee, that you might allot some of this farm machinery you are sending all over the world to the American farmers, and thus end the excuse for such cruel and unusual penalties.

THE NATIONAL BANK OF MONTPELIER,
Montpelier, Ohio, May 24, 1944.

HON. CLIFF CLEVINGER,
House of Representatives,
Washington, D. C.

DEAR CLIFF: On behalf of Donald Day, an Edgerton, Ohio, auctioneer, upon whom a suit has been instituted by the O. P. A. for selling a few articles at public auction above the ceiling price, I wish to call attention to the injustice of placing a ceiling price on some articles, while it is a known fact that many articles of value, at a farm auction, sell at a very small fraction of their real worth.

To my knowledge, no effort has ever been made by the O. P. A. or any other governmental agency to allow the farmer an average; that is, to allow the high prices to be offset by the below-value sales.

It seems that Congress should so frame the powers of the O. P. A. that they cannot go witch hunting. The best we can say in this case is that it looks like persecution.

We believe that where the owner sells an accumulation of chattels—not bought for speculation—he ought to have the current market value. He pays the current market value for what he buys.

Very truly yours,

ROSS STICKNEY.

McCLURE, OHIO, May 15, 1944.

HON. CLIFF CLEVINGER,
House of Representatives,
Washington, D. C.

DEAR SIR: It was gratifying in today's Toledo Blade to see that you are attempting to limit the powers of the O. P. A., such as the attack on the auctioneer, Mr. Day.

I truly hope that you succeed in cutting off the whole useless thing. It is only a part of a scheme to hamstring the American people.

Very truly yours,

J. W. FICKEL.

[From the Archbold (Ohio) Buckeye
of June 7, 1944]

WORRIES OVER O. P. A. SUIT—ENDS LIFE WITH POISON—FARMER NEAR READING IN TROUBLE THROUGH SALE OF FARM TRACTOR OVER CEILING

Due to despondent condition because of a suit filed against him by the O. P. A. officials over the sale of a farm tractor at auction March 10, Ray Van Wert, 63, Reading, Mich.,

took his own life May 26 by swallowing poison, is the statement made by his wife in affidavit alleged to have been signed the past week.

Funeral services were held near Reading Wednesday afternoon. Soon afterward the wife made the signed statements, copies of which have been sent to a few Members of Congress at Washington, D. C.

Worry over a suit filed against her husband by O. P. A. officials concerning the sale of a tractor at auction preyed upon the farmer's mind until it led him to the fatal step, according to Mrs. Van Wert.

Mrs. Van Wert states that starting late in March, O. P. A. officials investigating the sale asked payment of three times overcharge, or \$1,310.70, but later proposed to settle the case for \$873.80 out of court.

In her statement Mrs. Van Wert contended that on May 25 her husband received a notice to call at an attorney's office regarding the case, which had been a constant worry and broke down his health, and as a result Mr. Van Wert took poison on the morning of Friday, the 26th of May, which resulted in his death at 8 that morning.

Mr. SHAFER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio [Mr. CLEVENGER].

I am convinced that such an amendment is necessary if we are to eliminate the injustices of O. P. A. to auctioneers and farmers in connection with the enforcement of ceiling prices on used farm implements.

Farmers in my congressional district point out that the ceilings are unfair to those who have bought farm implements for use and not for resale, and also that the ceilings established by O. P. A. do not reflect the true values. As the result, I am told, farmers are being forced into the black market if they are to receive fair and equitable prices in disposing of their farm machinery.

In a recent case in my district both auctioneer and farmer were made defendants in an action by O. P. A. demanding triple damages for selling a tractor for \$1,345 which an O. P. A. price specialist, so-called, said was \$466.55 over the ceiling price. Heaven only knows how this so-called specialist arrived at such a ceiling price, but I am told that the farmer, who later committed suicide as the result of the hounding by an O. P. A. enforcement officer, did not receive what the tractor was worth.

I hold in my hand a photostat of one letter received by the farmer from an O. P. A. enforcement attorney in Detroit. Notice how it has been worn by folding and unfolding. It was found on the farmer's body after he had taken his own life. I also have here a photostat of a statement made by the widow, pleading that steps be taken "to stop these O. P. A. injustices and threats placed upon those who are disposing of their life's holdings."

This amendment, if adopted, would eliminate such abuses of power by O. P. A.

I regret the committee has voted to greatly limit the debate on the various amendments to section 2. I would like to give my further reasons as to why this amendment should be adopted.

Mr. GRANT of Indiana. Mr. Chairman, I hope the amendment of the gentleman from Ohio [Mr. CLEVENGER] will be adopted, and if we are to relieve the present intolerable and chaotic condition that exists, it should be adopted.

It simply and plainly provides that there shall not be ceilings on used farm machinery when sold at auction and not for purposes of resale.

Farmers are by their very nature thrifty people. They do not throw their money away. They spent it only where it is justified. If they pay as much for a used tractor or a used combine as a new one costs, it is only because it is worth that much to them in the important work they are doing.

I know that it will be said that if a farmer pays more than the present O. P. A. ceiling for a used tractor, it will start an inflationary spiral, but what is to be said of the effect on the inflationary spiral if through his failure to get much-needed equipment he is not able to turn out his share of the food production and thus must add to the scarcity of food in this hungry world?

There is only one way in the world to judge the value of a piece of used farm machinery and that is to see it and examine it. A tractor that has been out less than a year but that has been overloaded continually, underlubricated and permitted to stand out in all kinds of weather, will deteriorate more in that 12-month period than a 10-year old tractor that has been in the hands of a successful farmer and has had the proper care and lubrication.

The farmers and the auctioneers of the country are at present faced with an intolerable and an impossible situation. Again and again attempts have been made to get the O. P. A. to suggest a solution to the problem. Some bright fellow from the O. P. A. has come out with the suggestion that they resort to a lottery to determine the purchaser of a tractor where 15 or 20 farmers present are all anxious and willing to pay the O. P. A. ceiling price. A fine kettle of fish when we have one Government agency suggesting to our people that they violate the lottery laws of the Nation in order to dispose of their belongings. And what is to be said of the plight of the farmer who finds it necessary to liquidate his machinery representing perhaps his life savings, to see it raffled off with the possibility and the probability that the tractor or other vital piece of machinery is being picked up by some dealer who will go down the road a piece and peddle the machinery at \$200 or \$300 profit to himself?

Mr. Chairman, as I have said before, let us get back of this amendment and stop this business of driving the used farm machinery of the country into the black market.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Chairman, this is ostensibly an auctioneer amendment, but when you read the amendment it does not refer, as near as I can find out, to an auctioneer or anything else, other than an exclusion from price control of all second-hand goods.

If that is what the House wants to do, if you want to work a hardship on the farmers and others who are going to have to pay two times as much for their implements or two or three times as much for an old used truck—and bear in mind that is about all they are able to buy on today's scarce supply—then pass this amendment.

You might relieve the auctioneer of a little trouble by excluding him alone by some special amendment. I would like to help those boys myself. I like them. They are mighty fine to have in a campaign, but it is not a very good idea to riddle price control, no matter how well intentioned it is, by taking the ceilings off of all used farm goods and equipment and household belongings.

That is what the amendment says, "purchased by a purchaser and not for resale." There is where every item finally winds up that is purchased by a purchaser and not for resale, at the ultimate retail line, and that is where your price control actually works.

The effect of this amendment will be not to just give some relief to the auctioneer, but it is going to release from control every single used household item, used equipment, used truck you find in the whole category. I believe you are going to hurt your farmers worse, those who must now depend on the used market for their supply of implements, because there is no new stuff available for them to buy.

So bear in mind that it is just another one of those examples of where it is a lot of relief for the guy that sells but an awful lot of punishment for the poor guys who have to buy on that kind of a market.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Chairman, the farmers in the congressional district which I have the honor to represent here are very much concerned about O. P. A. rulings in connection with auction sales. Literally hundreds of petitions have been received by Members cogently giving the best argument in favor of the Clevenger amendment. On June 3, 1944, I called the attention of the House to the advisability of passing this amendment, and included a statement from my constituents. My remarks, including that statement, are found on page A2968 of the CONGRESSIONAL RECORD of June 3, 1944. I can add nothing at this time.

An amendment has already been adopted, as asked by the petitions, affecting sales by administrators, executors, guardians, and trustees pursuant to a court order, so that this bill in a slight degree helps the situation.

Surely the Congress never intended, in the adoption of the O. P. A. law, that it would be administered as it has been administered in connection with second-hand property sold at auction and in no way connected with the retail business.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Chairman, I rose for the purpose of asking my colleague the gentleman from Ohio [Mr. CLEVENGER] a question, but due to the fact that his time was short, was not able to get an answer. I wish at this time, however, to say that if the amendment which he has just introduced will bring relief to our auctioneers and to our farmers and others who sell their personal property at auction, I am for it. I have letters in my files—as I am sure many Members of this House have—which give conclusive evidence that present O. P. A. regulations with regard to the sale of such property have caused untold hardship to patriotic American citizens who are doing their level best to act lawfully and in accordance with the public interest.

When an owner disposes of his life holdings at auction he is not selling goods that he bought for the purpose of reselling at a profit—he is disposing of his personal possessions that he may have sacrificed throughout his lifetime to accumulate. He has to take what he can get for his belongings when he auctions them off, and yet he has been subjected in many cases to prosecution and large fines imposed by the O. P. A. for not living up to impracticable, unclear, and unjust regulations of which he may not even have had any knowledge. One auctioneer has written me that he wrote to, called up, and pleaded with an O. P. A. office for information to guide him in making sales, and was unable to get a satisfactory response, and yet he was held liable to prosecution by the O. P. A. for not living up to O. P. A. regulations.

The O. P. A. has not to date satisfactorily settled the disposition problems involved in selling at auction articles upon which ceiling prices have been placed, and its attempts at regulation have resulted in unjust prosecutions, embarrassments, and costly penalties. I am, therefore, hopeful that this amendment which is intended to clarify this vitally important matter will be passed, and that the restrictions which practically deny to American citizens the right to sell their property at auction will be removed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 10 strike out line 24, and on page 11 strike out lines 1 and 2.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, if I thought there was a chance in five million that this type of amendment could be approved I would ask for a vote on it. However, we seem to be bent on voting down amendments curbing O. P. A. power today and so I shall not press for its passage. My purpose, therefore, of presenting this amendment is to come before the House and pose the question, How far are you willing to go in making and exacting

penalties in this Price Control Act in order to enforce it?

It is all very well to conduct a great propaganda crusade against the black market; it is all very well to paint this whole picture in the light that you are waging war against the black market and enforcing these countless regulations being placed upon the American people, but I ask you to remember one thing: Before they reach the black market they will fall on the rank and file of our people. There have been other price control acts put into effect throughout history.

Let me take you back, if I may, to the time directly after the French Revolution, during the reign of terror in France, when Robespierre and his bloody rascallians and leaders passed a law called the law of the maximum. This far-reaching act imposed a fine of 3,000 francs upon any offender of the slightest regulation of price control that Robespierre and his extremists placed upon the people of France. In the case of a second violation, a fine of 6,000 francs was placed upon the offender. When it came to the third offense, what did the offender get? He got the guillotine, and he did not have any chance to defend himself either.

Not long ago a member of the Political Action Committee of the C. I. O. with whom I had a conference told me that he wanted to see everyone of the thousands and thousands of orders imposed by the Administrator of the Office of Price Administration carried out to the letter. Otherwise he demanded that jail sentences and fines of an extreme degree be imposed. In return I asked this gentleman how far he wanted to go, did he want to go as far as capital punishment? His answer was, "I am willing to do that if it will carry out the act and the thousands of regulations which the O. P. A. Administrator will place upon it."

I am not here to go on a witch hunt and I am not here to attempt to scare the House of Representatives into believing that Chester Bowles, the O. P. A. Administrator, is going to be as ruthless as all that. But Mr. Bowles can be replaced by more dangerous men. He can be removed in favor of any of the extreme zealots who guide from behind the scenes the course of affairs of the administration. There is in the Price Control Act and I should like to see it taken out—a section that says the Administrator can do anything he deems necessary to carry out the provisions of the act. That is giving him a lot of rope, that is giving him a lot of power. The entire bill is packed with power. I, for one, cannot discharge my duties to the people I represent unless I voice my objections to this unbridled lease of power that has been given to the Office of Price Administration.

I hope that in the future the House will be more careful in what it passes and the power it gives to agencies of this Government.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cox: On page 12, after line 2, insert a new paragraph as follows:

(q) Any person aggrieved by any decision, directive, sanction, or order by any Federal agency or official, may obtain a review of same in the Circuit Court of Appeals of the United States for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days, a written petition, praying that such decision, directive, sanction, or order be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon said agency or official who shall thereupon certify and file in the court a transcript of the record upon which such decision, directive, sanction, or order complained of was entered. Upon the filing of such transcript, such court shall have exclusive jurisdiction to review such decision, directive, sanction, or order complained of, and may hold unlawful and set aside the same insofar as it is found to be—

(1) contrary to constitutional right, power, privilege, or immunity;

(2) in excess of statutory authority, jurisdiction, or limitations or short of statutory right, grant, privilege, or benefit;

(3) made or issued without full observance of all procedures required by law;

(4) unsupported by substantial, credible, and material evidence upon the whole administrative record; or

(5) arbitrary or capricious.

(r) The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28, as amended, of the Judicial Code.

(s) Such decision, directive, sanction, or order shall remain in effect pending final decision in the courts: *Provided*, That no remedial or punitive measures shall be taken or instituted against any person subject to such decision, directive, sanction, or order, pending judicial review as provided herein, unless the court having jurisdiction of the case shall upon a proper showing find such measures necessary to further the prosecution of the war.

Mr. WOLCOTT. Mr. Chairman, I make the point of order against the amendment that it is not germane to section 2, to which it is being offered.

Mr. COX. Will the gentleman reserve his point of order until I have made my statement? Then we will debate it, if it is agreeable to the gentleman.

Mr. WOLCOTT. I may say to the gentleman that a time limit has been set, and the time we are using on this is running against the total time. Otherwise, the gentleman knows, I would be delighted to reserve the point of order.

Mr. COX. It is my opinion, Mr. Chairman, that the amendment is germane to the section.

The CHAIRMAN. The gentleman from Georgia [Mr. Cox] offers an amendment to which the gentleman from Michigan makes the point of order that it is not germane to the section to which it is offered.

The Chair invites attention to the fact that this relates to the question of court review, and matters of that kind are not dealt with in section 2 of the bill. Therefore, the Chair sustains the point of order that the amendment is not germane to this section of the bill.

Mr. SHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: On page 3, line 8, after "profits" strike out all of line 8 to and including the word "control."

Mr. SHAFER. Mr. Chairman, this amendment in effect means hands off of price control.

The present language in the bill reads:

The Administrator shall not so construe or interpret the act as to give a right to fix profits, where such action has no relation to price control.

In other words, the bill leaves profit control entirely up to the Administrator.

My amendment merely strikes the words "where such action has no relation to price control." Those words, as I see it, completely undo what the committee has attempted to do. As I say, it leaves it entirely to the Administrator. Show me one single case where it cannot be reasonably construed that profit has a relation to price control. The item, therefore, is meaningless. Either we are to give power to fix profits or we do not give that power.

It must be remembered that we are writing legislation today that may fix a long-time policy. Moves for continuing controls are already in the air. Businessmen of the country are disturbed because this legislation does not take into consideration the solution of the problems of the manufacturer facing reconversion.

I say that steps have already been taken to control profits. Some weeks ago the Stabilization Director, Judge Vinson, issued a directive referring to the production of consumer goods in which he enunciated the principles and so instructed the W. P. B. and O. P. A. that under some conditions manufacturers would be allowed to resume manufacturing with a 2-percent profit above cost and in other cases they would be permitted to resume with no profit.

Manufacturers naturally viewed such a radical proposal with alarm and when manufacturers in the durable goods field asked for a clarification of this directive it was pointed out that Judge Vinson meant it to apply only to textiles, and particularly to low-priced items which have dropped out of production because of increases in costs over which the manufacturers have no control. Later, Judge Vinson wrote a so-called clarification letter and in it he said that the same principles would apply to other industries, thus renewing the confusion and concern of all.

Judge Vinson's directive was, of course, issued under the President's War Powers Act. Inasmuch as he directed it jointly to O. P. A. and W. P. B., he instructed them to use it as their guide in allocating materials and in setting prices. So long as there is no prohibitory clause in the basic O. P. A. law, just so long can Judge Vinson or anyone else, acting under the President's war powers, instruct that body to carry out whatever whim or caprice may occur to them.

It was never contemplated by the Congress that O. P. A. was set up to control profits. Our job, as I see it, was to control prices and to prevent run-away in-

flation in the price level as the scarcity of goods became more acute. The O. P. A., however, has been widely influenced throughout its rather hectic career by some of the new thinkers who believe that profits are, in themselves, an evil. Any discussion with one of the top men in that office today will convince any Member of Congress that this attitude prevails. The American businessmen all know this—and I am speaking of the American businessmen whose patriotism and interest in the welfare of their country cannot possibly be questioned. They are today crying for help from this Congress. They believe that at least one provision should be included in the Price Control Act which, in effect, will say, "Hands off of profit control."

Mr. Chairman, profits are the domain of the revenue finders. The power to tax belongs to Congress and if any American enterprise makes too much money, the Congress can pass tax legislation which will take care of that. In fact, the Congress has already passed such legislation. Should business make a profit, the Congress will determine what to do with it and will not leave it to an administrative body such as O. P. A.

There are numerous concerns in every congressional district which are vitally concerned with his issue. The adoption of this amendment will receive the hearty endorsement and support of every businessman in America because, to a greater or less degree, they are all up against the same issue. True enough, the war is not yet over but reconversion is here, right now, in many instances, and is just around the corner in many more. If we truly want to preserve the free enterprise system, the American way of life, for which our men in the armed services are today fighting and dying throughout the world, let us not change the rules of the game while they are doing the job.

I hope my amendment will be adopted.

Mr. OUTLAND. Mr. Chairman, when the Banking and Currency Committee of the House was considering possible amendments to the bill, it was pointed out that from time to time the Office of Price Administration had made rulings which seemed to deal primarily with profits rather than bearing directly upon the purpose of the agency—namely, price control. Consequently, the committee voted in the entire amendment, beginning on line 6, and closing with the clause which the gentleman has just mentioned. The committee amendment reads as follows, and it is now a part of the bill:

That this act shall not be construed or interpreted in such a way as to give the Administrator the right to fix profits where such action has no relation to price control.

In other words, the committee, fully cognizant of the problem that the gentleman mentioned, was doing its best to meet this problem, while at the same time recognizing that if you are going to have to have any type of effective price ceiling it will be necessary in the bringing about of those price ceilings to regulate prices, and if you regulate prices, you are indirectly regulating profits. Consequently, Mr. Chairman, I

ask that the amendment be voted down, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. SHAFER].

The question was taken; and on a division (demanded by Mr. SHAFER) there were—ayes 24, noes 56.

So the amendment was rejected.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. SMITH of Virginia:

Page 12, line 2, insert a new paragraph, as follows:

"No action or proceeding to recover possession of housing accommodations shall be maintained by any landlord against any tenant, notwithstanding that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled, unless—

"(1) the tenant is (a) violating an obligation of his tenancy (other than an obligation to pay rent higher than the rent permitted under this act or any regulation or order thereunder applicable to the housing accommodations involved or an obligation to surrender possession of such accommodations); or (b) is committing a nuisance or using the housing accommodations for immoral or illegal purposes or for other than living or dwelling purposes; or

"(2) the landlord seeks in good faith to recover possession of the property for his immediate and personal use and occupancy as a dwelling; or

"(3) the landlord has in good faith contracted in writing to sell the property for immediate and personal use and occupancy as a dwelling by the purchaser and the contract of sale contains a representation by the purchaser that the property is being purchased by him for such immediate and personal use and occupancy; or

"(4) the landlord seeks in good faith to recover possession for the immediate purpose of substantially altering, remodeling, or demolishing the property and replacing it with new construction; or

"(5) the housing accommodations are nonhousekeeping furnished accommodations located within a single dwelling occupied by the lessor or his immediate family; or

"(6) the tenant has given written notice of his intention to vacate the premises upon a stated date and has thereafter failed to abide by such notice of intention."

Mr. SMITH of Virginia. Mr. Chairman, I have been asked by a great many Members if there were any amendments that would be proposed by our select committee with respect to rent control. This is one of the two amendments which we expect to offer on the subject of rent control and it deals solely with the recovery of possession of property. There has been so much complaint about the arbitrary rulings of the O. P. A. concerning a man's right to recover possession of his property that you are going to be told in answer to my argument in favor of this amendment, that the O. P. A. has devised certain regulations by which they are going to relieve the situation. That may be true, but the same O. P. A. that makes these regulations can unmake them and revert to the situation concerning which you have made so much complaint in the past. What I hope the Members will do will be to write into the law certain regulations by which a person can recover possession of his property; and they are six. I want to state briefly what they are:

He may recover possession where the tenant is violating his lease.

He may recover possession where the tenant has committed a nuisance on the property or used it for immoral or illegal purposes. Surely we do not mind writing an amendment like that into the law.

He may recover it where he seeks in good faith to recover possession for his own immediate personal use. We will say that he does not have to go and ask permission of the Administrator in order to recover his property for his own use. He may recover his property where he has in good faith, contracted to sell it to a bona fide purchaser, where the purchaser is willing to make a statement that he is purchasing it in good faith, for his own personal occupancy. Is there any objection to that?

He may recover possession of his property where he wants to substantially alter or remodel the property, in good faith, or where he wants to demolish it for the purpose of replacing it with a new structure. Surely we do not object to his recovering possession of his property under such circumstances.

He may recover his property where it is a single-family dwelling.

Now, I want to dwell on that for a moment. The O. P. A. has a regulation that if you rent two rooms of your house to a couple of war workers, if you ever let them under your roof, then you cannot get possession of your own castle again unless the O. P. A. says so. I think what this Congress would like to do would be to reiterate that a man's home is his castle. If he has rented two rooms and he does not like the color of the hair of the tenant he can say, "When your week is up I want you to move out." He cannot do that under present regulations. I want you to put it in the law again that a man's home is his castle and if he has an unwelcome guest there he has a right to invite him out.

The only other amendment we have is where a tenant has notified the owner of the property that on a certain day he is going to move out. We say that he must get out that day; that he cannot change his mind on the owner of the property and come back and say, "I have changed my mind. I am going to stay."

As I said in the beginning you will be told that the O. P. A. will take care of this thing by regulation. We held hearings on this subject in our committee over a year ago and we were told the same old song, that all of these things were going to be corrected by regulation. They have not been corrected. But if you write it into the law, the Congress will have performed its duty to actually see that it is done, and prohibit the Administrator from doing these things concerning which I have told you.

If I have any more time I will be glad to yield if anybody has any question to ask.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think at one time during the hearings I had very definitely in mind offering an amendment along the lines of that suggested by the gentleman

from Virginia [Mr. SMITH] until from a study I convinced myself that it had been taken care of or could be taken care of, and that by offering such an amendment we recognized the jurisdiction of the O. P. A. to regulate ouster proceedings. By the adoption of this regulation you recognize the jurisdiction of the O. P. A. to regulate ouster proceedings in all other cases than those specified in the prohibition.

The existing law gives the Administrator authority to regulate ouster proceedings only where in the judgment of the Administrator it is necessary to do so in order to control rents. Of course, after the rent has been placed on an apartment or a house it does not make any difference about price control, and it should not make any difference to the Administrator what use that property is put to. That is within the province of the courts to determine, and the owner of the premises. All we have ever given O. P. A. control over is the rent. We have said however, that to avoid manipulative practices, including practices relating to the recovery of possession, he may control that, of course, having in mind control of rent, or the evasion of maximum rents. We had in mind of course fake sales which have been discussed under the amendment offered by the gentleman from California [Mr. ROLPH.]

I might say that if the Price Administrator seeks to regulate ouster proceedings beyond the purview of his authority to do so to regulate rents, then the aggrieved person has his day in court. The aggrieved person has his day in court, and there may be a review of that if the Administrator has gone beyond the authority of the act in that he has sought to regulate proceedings for the recovery of possession beyond that which is necessary to control the rent of that property.

Of course then, under the law, that regulation is invalid and is reviewable under the provision of section 205 of the act as it is suggested we amend it. So it is not only unnecessary to adopt this amendment to get rid of these alleged abuses, but it is dangerous to do so, because in doing so we recognize the jurisdiction of O. P. A. over ouster proceedings and I do not believe we want to do that.

I believe the amendment should be defeated.

The CHAIRMAN. The time of the gentleman has expired.

The question is one the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were ayes 18 and noes 69.

So the amendment was rejected.

Mr. JENKINS. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. JENKINS: On page 7, in line 4, strike out all of section C after the period following the word "order" and insert the following: "Whenever in any defense rental area or any definite portion thereof the availability of adequate rental housing accommodations and other relevant factors are such as to eliminate speculative, unwarranted, and abnormal increases in rents

and to prevent profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this act shall be forthwith abolished. But whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this act, to reestablish the regulation of rents in any such defense-rental area, or any definite portion thereof, he may forthwith by regulation or order establish maximum rents for housing accommodations in the area in accordance with the standards set forth in this act."

Mr. JENKINS. Mr. Chairman, we are running very much ahead of schedule just now; we have disposed of amendments very rapidly, in fact too rapidly; I do not think we need to be in such a hurry; about half the amendments have already been disposed of. I should like to have the attention of the members of the Banking and Currency Committee especially. I also want the attention of the whole membership. This amendment reads as if it is very complicated. It is not complicated. It is an amendment to an amendment which has been placed in this bill by the Banking and Currency Committee. I want to compliment the committee for this action but the committee's amendment does not go far enough.

While the changes I propose in this amendment are important they do not call for a reduction of rent or for a change in prices, but without threatening inflation and without impairing the rent-control structure of the O. P. A. they extend protection to many people.

This amendment deals only with defense areas. I dare say 95 percent of the territorial boundary of the United States is not in any defense area; a great number of our people are not located in a defense area as far as rents are concerned. We are all under the regulations of price control and of rationing and so forth, because the O. P. A. is not limited to defense areas. These price controls are Nation-wide. But in the case of rent control only a very small proportion of the country is under rent control. Rent control applies only in defense areas and these defense areas are not very numerous. Several governmental agencies that have been restricted to the application of their functions to defense areas have omitted some portions of certain defense areas from the purview of their activities, but the rent control so far as I know has not done so. Much territory is yet held under rent control that should never have been under such control and much should have been released because the reasons for putting that territory under rent control has long since ceased to exist.

What my amendment does is to provide that when as a fact those factors which permitted the O. P. A. to impose rent control on a certain area have been removed and there is no reason for rent control in that area that the rent control shall be abolished. Under the present bill it is provided that the Administrator must be convinced that the control should be abolished but under my amendment the discretion of the Administrator is not the deciding factor.

The actual facts are the deciding factor and again my amendment provides that if the facts show that rent control is not necessary in definite portions of a rent area these portions should be excluded.

Let me give you a very convincing illustration. Point Pleasant, W. Va., is located on the Ohio River at the mouth of the Kanawha River. It is about 40 miles below Charleston which is a great manufacturing center. Rent control would probably be necessary in Charleston. Early in the war the Marietta Manufacturing Co., of Point Pleasant, was a strong and well-managed boat-building company. As the war came along the Government decided to build a shipbuilding plant at Point Pleasant, to be operated by the Marietta Co. After spending about \$10,000,000 on this new plant the Government decided to stop further building and all work stopped and was never resumed. About the same time the Government commenced construction of a TNT plant in the same community. This plant was built at the expense of many millions and has only operated at about a 20-percent capacity. These two large plants were the basis of putting Point Pleasant, W. Va., and Pomeroy, Ohio, Middleport, Ohio, and Gallipolis, Ohio, in a defense area and under rent control. The Government, directly and through Government loans, built and encouraged the building of 1,200 or 1,500 new houses in Point Pleasant. About 900 or 1,000 of these houses have never been occupied. Hundreds of them have been moved down the Ohio River on barges. Hundreds have been sold at public auction at practically nothing. Still Point Pleasant and all these others that I have named are still under rent control. This is absolutely indefensible. My amendment would stop this kind of a situation. Gallipolis is the county seat of a fine agricultural county. It has a population of about 8,000. Pomeroy and Middleport are fine small cities which were put under rent control. They have a population of about 5,000 each. The counties in which these cities are located were also put under rent control as far back as 30 or 40 miles from the river and although contemplated large defense plants did not materialize as planned, and although hundreds of vacant houses have been moved away and although there are many vacant houses there yet, still the people are inflicted with this unnecessary scourge of rent control. Those of you who have not experienced an unnecessary rent control cannot know how burdensome it really is.

As I have tried to point out to you the intended war improvements at the Point Pleasant area have been used as a basis to extend rent control across the Ohio River into 3 counties in my congressional district along the Ohio River. If you were to start on the Ohio River at Steubenville and go down the river to Cincinnati, about 300 miles, you will find only 1 city of any considerable size on the Ohio side of the river. That city is Portsmouth, Ohio, with a population of probably 60,000 or 65,000. In that 300 mile stretch you would find several small

cities including Marietta with a population of about 15,000 and neither Portsmouth nor Marietta have rent control, but these 3 small cities located across from Point Pleasant all have rent control and the counties in which they are located also have rent control. In Pomeroy the Government built about 20 houses and I understand that none of these is occupied. In Gallipolis there is no transient population and no unusual demand for houses. But the rent control have an agent located in this area to whom no doubt a salary of \$4,000 or \$5,000 per year is being paid together with office expenses and so forth. This person is a fine affable man but I dare say he does not work 2 hours a week.

Down at Ironton, Ohio, which is the county seat of Lawrence County, Ohio, the O. P. A. operates a rent control. This county was put into a defense area to enable the merchants and the manufacturers to secure priorities more readily. This is a city of about 17,000 population. It has the cheapest rent of any city in Ohio. A defense plant was built about 10 miles up the river from Ironton. When this plant was under construction about 2,000 men were employed. Ironton was then put under rent control. That plant is now operating and employs about 600 men most of whom live in West Virginia or Kentucky or in the rural section in the neighborhood of the plant. Few of them live in Ironton. About 20 new houses were built by the Government near the plant and I understand all of them are unoccupied. Not more than 3 or 4 new houses have been built in Ironton with private capital for the past 3 years. The Government built about 20 new houses in Ironton in 1943 and I am advised that one half of them are vacant. In spite of all this the rent control is still maintained. Under the bill under consideration by us today this condition will continue.

You might wonder why I have not presented these facts to the administrator. I have done so repeatedly both in person and by correspondence. I have found Mr. Carson the administrator to be a fair talking man but for some reason or another he cannot do anything or at least he has not done anything. I repeat I am not opposed to rent control in congested areas. I am not seeking to assist any owner to raise his rents. My purpose is to try to show that the conditions upon which it was considered that the rents should be controlled are not present now. I hope that my amendment may pass for then the people of my district will be on an equal footing with the other people up and down the Ohio River and in other sections of the country.

We want equality and justice. We do not want to break down the Price Control Act but we do not want the Price Control Act to break us down under the guise of rent control.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JENKINS. Mr. Chairman, this matter is so important that I ask unanimous consent to proceed for 5 additional minutes.

Mr. KEAN. Mr. Chairman, I object.

Mr. OUTLAND. Mr. Chairman, I have studied very carefully the amendment which has just been proposed. It differs very slightly indeed from the amendment which was added in the committee.

The gentleman from New Jersey [Mr. KEAN] proposed the language which begins on line 4, page 7, of the present bill and goes through the end of the paragraph in line 19. It seems to me that the language of the committee will accomplish even more than that which is desired by the gentleman from Ohio in the amendment he just introduced. In many ways I wish the gentleman had been permitted to continue for 5 additional minutes for perhaps he could have given us a fuller explanation, but as I read his amendment and read the language in the bill it seems to me the committee is doing exactly what the gentleman asks, that is, we are directing the Administrator, and I quote directly from the bill:

Whenever the Administrator shall find that the availability of adequate rental housing accommodations and other relevant factors are such as to eliminate speculative, unwarranted, and abnormal increases in rents and to prevent profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this act shall be forthwith abolished in such areas theretofore designated by the Administrator as defense-rental areas.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. JENKINS. I do not want to leave it optional with the Administrator; what I want to do is to require the Administrator whenever it shall appear that there are these vacant houses, when these facts developed by real-estate men are set down before him, that he has got to find it.

Mr. OUTLAND. To whom would the gentleman grant authority to administer this particular section?

Mr. JENKINS. I would leave it with the Administrator under the general provisions of the law; but I want to make it mandatory that whenever conditions are as I say they are, houses vacant and remaining vacant, that that shall be sufficient evidence. He may have had the authority but he does not use it. I want it fixed so that in the case of definite sections which cannot be construed to be in defense areas, those sections or counties can be taken out.

I think the committee provision is fine and I want to compliment the committee on it. I did not have time to do it. It is a fine thing but I want to go a little further. I will leave out Charlestown, W. Va., but there are these three counties in my district that I would like to have out.

Mr. OUTLAND. If the gentleman will permit me to continue, that is what I wish to accomplish, and I am sure the committee wishes to accomplish. I may call the gentleman's attention to the fact that there are 351 rent-control areas in the United States. These areas include all of the important war production cen-

ters and areas where there are Army, Navy, and Marine training centers. The committee amendment directs the Administrator to discontinue rent control when the conditions which caused it to be imposed are changed. I think, therefore, the committee amendment accomplishes all the gentleman asks and I respectfully request that the amendment be voted down.

Mr. JENKINS. Mr. Chairman, will the gentleman yield further?

Mr. OUTLAND. I yield.

Mr. JENKINS. What reason can the Administrator have in these instances? They have moved out these houses and in other places they have vacant houses, still they keep them under the rent-control area. How are we going to get at it?

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. WRIGHT. The reason is that the directive is not presently in the law but is contained in the committee bill. The committee bill directs to be done exactly what the gentleman wants to be done.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. JENKINS) there were—ayes 56, noes 67.

Mr. JENKINS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MONRONEY and Mr. JENKINS to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 75, noes 82.

So the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 11, line 6, after the last "comma", insert the following: "nor to deny the allowance of a fair and equitable margin of profit for any given commodity, product, or class of a commodity or product."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, this is a clarifying amendment to paragraph (h) on page 11. The paragraph written in the bill attempts to define "customary business practices" and the section now reads as follows:

The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices.

Mr. Chairman, if we had an Administrator who understood something about the meaning of customary business practices, my amendment would not be necessary, but in order to clarify the definition, my amendment should be adopted to inform him what is meant by "customary business practices."

I want to illustrate the purport of my amendment. We will take the case of a man in the bakery business. Under present O. P. A. regulations and maximum price ceilings he may lose money on his bread, but he makes money on his

doughnuts and cakes. At the end of the year possibly he will show a profit. The O. P. A. has ruled that because he shows a profit, irrespective of the fact that he has lost money on his bread but he has made enough on the cakes and doughnuts to show an over-all profit, they deny him the right to have a fair and equitable margin of profit on his bread.

I do not contend this will cause inflation or in any way cause an increase in the cost of living because if the price is too high on cake and doughnuts at the present time then they can be lowered, but surely it is common customary business practice in this country from time immemorial that an individual in business is allowed to have a fair equitable margin of profit on each commodity.

Mr. PLOESER. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Missouri.

Mr. PLOESER. It is very obvious by the tone of the bill that the committee intended to eliminate profit control.

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. PLOESER. There are some places in the bill which are rather ambiguous and the committee may have left the door open where it did not intend to. The gentleman should be complimented because his amendment makes it very clear without changing the intent of the bill and without releasing any inflationary forces. I hope the Committee will give sufficient attention to the amendment and vote it favorably.

Mr. AUGUST H. ANDRESEN. I thank the gentleman for his contribution.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. Would the gentleman's amendment affect canneries and the processors of dairy products?

Mr. AUGUST H. ANDRESEN. It certainly would. It takes care of all items where they are not given a fair and equitable margin. It is up to the Administrator to fix a fair and equitable margin and if the Administrator does not fix a fair and equitable margin, the individuals who are engaged in business, whether it be in the baking business or dairy business, have the right to go into court, under subparagraph (h), and show what is customary American business and what is a fair and equitable margin of profit on each commodity.

Mr. KEAN. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from New Jersey.

Mr. KEAN. Does the gentleman mean that we should guarantee profits on every item?

Mr. AUGUST H. ANDRESEN. No.

Mr. KEAN. For instance, let us take the packers. They are accustomed to selling blood and various things and on some parts they take a loss, while on some parts they take a profit.

Mr. AUGUST H. ANDRESEN. Whatever is customary.

Mr. CASE. Does it say "customary" in the gentleman's amendment?

Mr. AUGUST H. ANDRESEN. No. My amendment just calls for fair and equitable margins of profit and what is customary in business.

Mr. PLOESER. If the gentleman will observe the wording of the bill to which the words are attached, it says "customary." This is merely an addition to the sequence of terms, so the term "customary" would carry right on through.

Mr. AUGUST H. ANDRESEN. The present law calls for following the customary business practices, which the O. P. A. has not done in making its regulations with reference to fixing maximum prices and providing for fair and equitable margins.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY] in opposition to the amendment.

Mr. MONRONEY. Mr. Chairman, I think there is a little bit of uncertainty as to just what this section was originally in the bill for. The bill was originally written so that they could not change any business practices except for the purpose of preventing circumvention or evasion of the act. That was in the original bill. It was cut out in the committee at the request of some of the members.

By taking that out you change the whole idea that was behind this section of the bill. Now the gentleman from Minnesota comes in here with an amendment reading "nor to deny the allowance of a fair and equitable margin of profit for any given commodity, product, or class of a commodity or product." Let us look and see what that does. There are about 10,000 items under specific dollar-and-cent ceiling in the grocery store today. It has averaged out satisfactorily. It is a price that is well accepted in the grocery trade.

Here by this amendment you allow one dealer, who thinks he is not being allowed a fair and equitable profit on some one single item he is handling, to come into court and upset the whole price schedule. I do not think that is what the House intends to do or wants to do. You are setting what I think is a very dangerous precedent; a thing that kept coming into our hearings almost every day, witnesses who were asking for historic margins. That is what you are providing for under this amendment. A fair and equitable price in court would be decided on some profit made on some individual item back in the peacetime years, so if you want to give these people the right to go into court and rule out an entire price schedule because of a specific profit on a specific item, you will do it.

The O. P. A. recognizes that a man may be making many, many times the profit on his over-all operation, but because of business shifts perhaps this year is entirely different from what it was last year by this amendment. But you are going to compel a historic margin on the thing that maybe he had a big profit on last year and a small profit this year.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. RAMSPECK. Would not this amendment also encourage or give an advantage to the high-cost processor or operator over the low-cost operator?

Mr. MONRONEY. I think it allows an operator, since you are talking about the individual product, to come in and knock out the ceiling; in other words, you eliminate the general fairness test of a price.

Mr. RAMSPECK. But if you have a baker who can make a profit on a loaf of bread, say, at 9 cents, another man, because he can show that his cost was higher, would get a higher price.

Mr. MONRONEY. You would have a varied ceiling that would cause complications.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If what the gentleman says is correct, then the language in the bill "to compel changes in the business practices, cost practices, methods or means or aids to distribution" means nothing, because that seeks to tie down the historic business practice.

Mr. MONRONEY. You cannot have price control without disrupting in some degree the ordinary business practice, which everybody knows is to make all the profit you can, you must have some kind of price ceiling along the line, or you might as well not give the bill the name, "price-control bill."

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Would this not knock out the classification-of-stores policy that is now in use?

Mr. MONRONEY. Certainly. It disrupts the whole plan which has been most workable and most successful.

Mr. HOLFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. HOLFIELD. Is it not true that this amendment would further regiment American business? When, in the past, has every item the merchant handled been guaranteed a profit? Any merchant knows that he has some items on which he loses money, some on which he breaks even and some on which he makes money, but the over-all profit is the thing that counts.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. PLOESER. The purpose of this amendment seems to be to prevent the Office of Price Administration from deliberately causing price squeezes. What the gentleman from Georgia obviously intended to complain about is the practice of the Office of Price Administration; so that is no argument.

Mr. MONRONEY. Can the gentleman explain how you can have an over-all dollars-and-cents ceiling, such as you have in the grocery trade, and still allow

your grocer to be able to have a fair and equitable historic margin on every single thing he sells in the store?

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. August H. Andresen), there were—ayes 47, nays 92.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. CHENOWETH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHENOWETH: Page 12, line 2, after the word "agency", insert a new paragraph to be known as subparagraph (k):

"No maximum price shall be established on any food product not included in the list of food products making up the cost-of-living commodities as published in the Cost of Living Index of the United States Department of Labor."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CHENOWETH. Mr. Chairman, my amendment seeks to simplify the price-control system in this country. When the original price-control bill was passed, it was my understanding and construction of the bill that the sole purpose of this legislation was to hold down the cost of living and prevent inflation.

The argument was used that if the cost of living went up and the prices of food and clothing advanced, that those in the low- and moderate-income brackets would be compelled to seek higher wages and the whole stabilization line would be broken.

My amendment seeks to confine and restrict the authority of the Price Administrator to those essential food items which every family must purchase at a grocery store, and would eliminate price control over the hundreds of other items over which he is now exercising jurisdiction.

Mr. Chairman, a few months ago I had a conference with a group of retail grocers in my district. They stated it was their opinion that there was absolutely no necessity for the Office of Price Administration to place price ceilings on all of the items which they now have on their shelves. They advised me that effective price control on food products could be obtained by regulating prices of about 40 essential commodities. It has been admitted by O. P. A. that 90 percent of the groceries purchased in this country are composed of less than 20 items.

I challenge anyone to successfully contend that we are maintaining price control as contemplated by the Congress when we are seeking to control all of the items in every retail grocery store. The O. P. A. should confine its activities to those food products which every family must purchase and which are usually called the necessities of life. We hear much about holding down the cost of living. All of us agree this must be done. My amendment will make it possible for

O. P. A. to be more efficient, by devoting more time to controlling the essential food commodities, instead of seeking to control and regiment the whole civilian economy of this country as they are now trying to do.

It should be very obvious to everyone that the cost of living can be controlled by placing ceilings on those products that are absolutely essential and are purchased daily by every family. These would include flour, bread, meat, butter, milk, eggs, beans, canned vegetables and fruits, and other items contained in the cost of living index I have mentioned in my amendment. The O. P. A. would not be compelled to establish prices on all of these items, but they would be restricted to this list. Instead of now regulating the prices of hundreds of products in retail grocery stores over the country they would be confined to the 61 items in this list. At the same time a great service would be rendered the retail grocers of the Nation by relieving them of a portion of the administrative burdens that accompany price control. I think they are entitled to this consideration.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Nebraska.

Mr. CURTIS. A wholesale grocer complained to me that there had been a ceiling established on the gravel that goes into a bird cage. Would the gentleman's amendment prevent such a thing?

Mr. CHENOWETH. Unless my amendment is adopted, I have no doubt that such a ceiling might be imposed.

Mr. CURTIS. I think it would be in the interest of national unity.

Mr. CHENOWETH. I have been reading the testimony of Mr. Brownlee, Deputy Administrator for Price in O. P. A., before the Committee on Banking and Currency. He testified that there were some 6,000 different commodities over which they were now exercising control, not all, of course, in the grocery line. He estimated there were some 8,000,000 different items over which price ceilings have been established. In his testimony he stated that they were not controlling all items today, and he mentioned three specific items over which they had not placed ceilings, to wit, pin cushions, shoe-horns, and tie racks. He said there were some other extremely trivial items which they had exempted. I submit it is absolutely ridiculous to even suggest that consideration was given to placing price ceilings on such articles.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Missouri.

Mr. COCHRAN. If the gentleman's amendment carries, will these grocers sell their products above the ceiling prices now established?

Mr. CHENOWETH. These grocers tell me that this step would make absolutely no difference in the cost of living. By controlling prices on necessities only, the prices of these other items, the so-called luxury items, will not be affected. If this list were adopted as now compiled by the United States Department of Labor, it would comprise 61 different items.

This list has not been changed since March 1943, when a survey was made in 56 of the principal cities of this country and these items were determined then as making up the essential commodities in the cost-of-living index. By my amendment, I have not confined the list to this particular list here. It can be changed. The argument has been made that the Department of Labor can change it. This is true, but I say it has not made any changes since March of 1943. Therefore, this list must give a pretty fair idea of what the items are which the people of this country must purchase in order to live and survive. I had supposed that is what we are trying to do with price control, to keep down the cost of living for those who have low incomes. This group is vitally concerned with the prices of necessities.

Mr. COCHRAN. On the other hand, if you take the control off these products and they are raised, you are increasing the cost of living to the consumer.

Mr. CHENOWETH. No. The prices of essential food items will not rise. I am providing for O. P. A. to continue price ceilings on these. They can still have control over 61 items, which comprise the cost-of-living index. I may state that this group of retail grocers in my district made up a list, without any outside suggestions, of about 40 items which they said would be sufficient to control the cost of living. In comparing it with the list of food products making up the cost of living commodities as published by the Department of Labor, I find that the items are almost identical, so apparently there is no difference of opinion as to what are considered essential food items.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from New York.

Mr. BARRY. How many items will the gentleman's amendment exempt?

Mr. CHENOWETH. All except the 61 items contained in this list.

Mr. BARRY. What does that amount to?

Mr. CHENOWETH. I heard the distinguished gentleman from Oklahoma just make the statement that there are some 10,000 items in the retail grocery stores now under price control. We exempt them all except these 61, and they should be exempted.

Mr. BARRY. Ten thousand minus 61 are exempted.

Mr. CHENOWETH. All except the essential items which people must buy in order to exist.

Mr. PHILLIPS. As in the last war.

Mr. CHENOWETH. That is true.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if I understand the gentleman's amendment correctly, it would take off ceiling prices on all food except 61 items. It seems to me that piecemeal legislation of this type is a very poor precedent for us to be setting in this body. Things that may appear to be luxuries to one person may be

necessities to another. It is very difficult to take a particular index and say "only these things are necessities." We have had amendments offered before on this particular bill which would exempt this article or that article. It seems to me that the amendment offered by the able gentleman from Colorado [Mr. CHENOWETH] would go much further in helping to break the price-control line because it would take maximum ceilings off hundreds of articles of food.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Georgia.

Mr. RAMSPECK. Would not the effect of this amendment eventually be to raise the cost of living in this way: It would take price control off dairy feed, for instance, which would go up in price, and, therefore, the dairyman would have to have a higher price for his milk.

Mr. OUTLAND. Indirectly, I think in many cases that would be true.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. We have had a good bit of testimony that if you did remove the price ceilings from certain commodities, such as luxuries and others, you would have a flow of capital from the regulated commodities to the unregulated commodities.

Mr. OUTLAND. And a flow of labor also, perhaps.

Mr. WRIGHT. Also you would have a flow of essential manpower from controlled commodities to uncontrolled commodities. Thus you would inevitably either drive your controlled commodities from the market or drive up the prices.

Mr. OUTLAND. The gentleman is stating it very correctly.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Colorado.

Mr. CHENOWETH. As I understand, the gentleman from Georgia asked the gentleman from California if the amendment would not raise the price of milk by raising the price of dairy feed. This would have nothing to do with that, as I see it. This refers only to the items found in retail food stores, and milk is included in that. There would be a price ceiling on milk the same as now.

Mr. OUTLAND. The gentleman stated it would remove price ceilings from all but 61 items.

Mr. CHENOWETH. Retail food items, which every family must purchase. I do not see the connection between the price of dairy feed and milk.

Mr. OUTLAND. On how many items of food are price ceilings placed now?

Mr. CHENOWETH. I heard the gentleman from Oklahoma make the statement that there were some 10,000. Mr. Brownlee testified before the gentleman's committee that they now have price ceilings on approximately 8,000,000 items. Those are not all food items, of course. I should like to relieve the O. P. A. of a little of this burden which they are carry-

ing. Cannot we simplify it a little bit? That is all I am trying to do.

Mr. OUTLAND. I join the gentleman in wishing fervently for the day when price ceilings are no longer necessary on any articles, but it seems that as long as we are maintaining this particular policy of "hold the line" we cannot now remove it from hundreds of items of food.

Mr. CHENOWETH. Would not the gentleman agree with me that this will hold the line? We are still holding the ceilings on those commodities which everyone must buy.

Mr. OUTLAND. No; I disagree with the gentleman.

Mr. CHENOWETH. They are the items which the Department of Labor has found by a check of 56 of the leading cities of this country to be the items people are buying. Are we not holding the line when we do that and let O. P. A. confine its activities to that group of items which every family must buy?

Mr. OUTLAND. If I thought the gentleman was correct in that statement I would certainly agree with him, but I do not feel that he is, so I must ask the Committee to vote down the amendment.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. This is the type of program I have always advocated in the committee, but it is not written in the way it was originally written. I think it is too specific. I have talked to several economists about this type of program, of controlling only necessities. You have to let those necessities go up somewhat. The point of the program is that people do not buy luxuries; the money goes into bonds and taxes instead of into luxuries.

Mr. OUTLAND. I thank the gentleman for her contribution.

Mr. CHENOWETH. If the gentleman will yield further, will the gentleman agree with me that the principal object and purpose of price control is to hold down the cost of living?

Mr. OUTLAND. It is to hold down the cost of living and prevent inflation. I ask that this amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The question was taken; and on a division (demanded by Mr. CHENOWETH) there were—ayes 33, noes 81.

So the amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 11, after line 10, insert a new subsection as follows:

"(j) And nothing in this act shall be construed to confer any power or authorize any action fixing a price on raw fur and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no legal effect."

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, the gentleman from California [Mr. OUTLAND] just said that O. P. A. was enacted for the purpose of holding down the prices on essential items and to prevent inflation. It has helped to do both, but its administration has often been bad and in some instances it has caused higher prices. Last Friday they took the ceiling off the price of fish. That was something we eat. Fur is a luxury item. I am offering an amendment which if adopted will save our fur farmers and do no harm to the O. P. A. program. All of us concede we cannot enforce this act or administer it from the floor of Congress. We have to trust the Administrator. When he goes wrong, there is no reason why we should not write in a correction that will help cure the trouble and guide him in the future. The fur farmers in this country have been put out of business, many of them, and more are going out if the O. P. A. continues to penalize it. The bulk of the fur is caught by the farmer boy or girl or young man who traps along the streams, in the ponds and lakes around the farm. The result of this regulation fixing a price on raw fur has been that in New York there are today thousands of skins being held until they know what Congress intends to do. Are we to permit O. P. A. to deprive the trappers and the farm boys and the fur farmers of a market? Is fur an item the price of which must be fixed to prevent inflation? We know it is not. In Canada, just across the line, there is no price regulation on furs. I know the answer that will be made: "O. P. A. will correct the ruling, change the regulation." "They are going to do it." "They are going to help us out." But they have not helped out. They will not do a thing unless we write our conclusions into the law.

FROM THE RIDICULOUS TO THE TRAGIC

When the House voted down the rule which would have made germane amendments to H. R. 4941, the banking and currency bill to amend the Emergency Price Control Act of 1942, as amended, it slammed shut in the face of the American citizen and of the returning veteran an opportunity to in some measure obtain justice from at least two Government boards.

Three illustrations will show the truth of this statement.

In June of 1943, the gentleman from Massachusetts [Mr. HERTER] from the well of the House called attention to an order of the O. P. A. which put some citizens out of business, enabled others to go into business, make a profit, and placed an additional burden upon the consuming public.

Processors of pancake flour were at that time making a 20-ounce package which retailed at 12 cents and 15 cents per package. Another 20-ounce package of equal quality but not so extensively advertised retailed at from 5 cents to 7 cents a package.

O. P. A. placed a ceiling on the product, based in part on 1941 costs. The result was that 80 percent of the processors of unadvertised brands when out of business. Two new companies went into business and, instead of selling the pan-

cake flour at 5 to 7 cents for a 20-ounce package, or at 12 to 15 cents—the price paid for the widely advertised package—these two new concerns have been charging from 19 cents to 24 cents per 20-ounce package.

I do not charge, but it is possible, that someone who knew what the O. P. A. was about to do, grasped the opportunity to go into the business of processing pancake flour and make a handsome profit.

Nor has the O. P. A., with all its professed good intentions, overlooked the baby. All of us at one time or another in our lives knew what a diaper meant. Today, many a troubled mother knows that she is being overcharged for diapers and it is my hope that she may come to realize; before the baby is grown, that Chester Bowles is the man responsible.

Prior to the meddling of the O. P. A., a 27 by 27, 4.52 bird's-eye cloth diaper was supplied to wholesalers at 48 and 49 cents per half dozen, and it retailed for 69 cents.

Due to an O. P. A. ruling which it was desired to circumvent, a like-sized diaper of additional weight, made of bird's-eye weight 5.73, was manufactured, and wholesaled at 63 cents for six, and retailed at 89 cents.

So the baby's diapers now cost 40 cents more per dozen than they did before the O. P. A. and Chester Bowles undertook supervision. That means that each diaper costs a mother today just a little more than 3 cents more than it did prior to price regulation, imposed to hold down—not raise—prices.

When the rule was before the House it was voted down, one of the principal reasons being that the House, as evidenced by its vote, lacked either the inclination or the courage to do away with the security-of-membership clause, which has recently been imposed upon employers and employees by the War Labor Board. That issue is plain. It cannot be dodged.

The House no more than voted down that rule, which would have made germane an amendment to the act under consideration, which would have made it possible to outlaw the security-of-membership clause, than we learned that returning veterans discharged from the service are fired from war defense jobs in Detroit because they failed to pay their union dues and assessments.

Put in different language, this is the situation which this House refused to remedy: Men who have been drafted; men who have volunteered to fight for their country, for the preservation of their rights and of the rights of their loved ones; men who have faced the enemy's fire, find upon their return to the homeland that, before they can hold jobs with a company operating in large part on tax money, they must meet the demands of a labor organization which is collecting hundreds of thousands of dollars for political purposes.

Now, we can talk about patriotism, we can continue to wave the flag, we can loudly announce that we will do our part here at home, but our words are empty words when we permit to exist a condition where, in order to earn a livelihood, a returning veteran, before he can go

to work or continue to hold a job, must meet the demands of any organization not created or operated under law.

It is no answer for the majority party to say that we are at war and that we must not do anything to create dissatisfaction. It is no answer for Republicans to say that the Democrats are in majority. That majority is a slim one. It is no answer for Republicans to say that the Democrats are responsible.

Our constituents have sent us here to support constitutional government, to see that justice is done, and they know—and keep this in mind, for they cannot be fooled—that the responsibility for these conditions which enable an administrator to promulgate rules and orders which compel the mother to pay an additional unnecessary price for a household necessity; which require a soldier to pay for a job, rests squarely upon this Congress, and when we go home, seeking reelection, we are going to be asked why it was that we let the C. I. O. Committee for Political Action frighten us into denying relief to the home folks, to the returning veterans.

And make no mistake, when the boys come back, they will have the answer to what should be done if we fail them now.

The regulation of the O. P. A., which fixes a price on fur, aids the speculator, it deprives the boys and girls who trap of an income, it puts the fur farmer out of business, it is discrimination in aid of the Canadian raw-fur dealer and manufacturer of fur garments.

It has nothing to do with the cost of living, it in no way prevents inflation.

It seems to have been made because someone in O. P. A. had nothing else to do.

The CHAIRMAN. The gentleman from California [Mr. OUTLAND] is recognized.

Mr. OUTLAND. Mr. Chairman, if the gentleman from Michigan had yielded to me, I was going to ask him what the relationship was between fur and diapers. Perhaps in the gentleman's district these essential garments are made of different material than is usually the case. In view of the fact that his amendment does not take in pancake flour or diapers, to both of which he devoted the major portion of his time, I should simply like to say that when we start legislating for any one particular commodity, such as his amendment proposes, in the case of fur, it seems to me we are starting to set a bad example for other similar amendments and to break the line here and to break the line there. Consequently, Mr. Chairman, without taking up any more of the Committee's time, inasmuch as we already have discussed the principle involved in this type of amendment, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

Mr. JENKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS: At the end of section 2 and the amendments

Committee will adopt it. I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. Towle].

The amendment was agreed to.

Mr. JENKINS. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read, as follows:

Amendment offered by Mr. JENKINS: At the end of section 2 and the amendments heretofore adopted thereto add the following:

"() That in order to provide full responsibility for and control over the Nation's food program there is hereby established in the Department of Agriculture a War Food Administration which shall be under the direction and supervision of a War Food Administrator appointed by the President and who shall be directly responsible to the President. Notwithstanding any provision of any other law, no functions, duties, powers, authority, or discretion transferred to, vested in, or imposed upon, the War Food Administration or the War Food Administrator by this act shall be transferred to any other officer or agency of the Government, except as hereinafter provided.

"Sec. 2. The War Food Administrator is authorized and directed, notwithstanding any other provision of law (including title I of the First War Powers Act, 1941), exclusively and finally to exercise on behalf of the United States, either directly or through such other officers or agencies as he may designate, all powers, functions, and duties conferred or imposed upon any officer or agency of the United States by any law, order, regulation, or directive with respect to the Nation's food program in the United States and its Territories, including the production, processing, distribution, rationing, procurement, requisitioning, allocation of, priorities, storage, exportation, and importation of, provisions of labor and facilities for, and the establishment, maintenance, and adjustment of prices for food and food facilities.

"Sec. 3. The provisions of every rule, regulation, license, and order prescribed or issued prior to the enactment of this act which were included in such rule, regulation, license, or order in the exercise of any power, function, or duty which this act authorizes and directs the War Food Administrator to exercise shall continue in full force and effect until amended or rescinded by him.

"Sec. 4. The provisions of this act shall cease to be in effect upon the termination of title I of the First War Powers Act, 1941, or upon such earlier date as the Congress by concurrent resolution may designate. Upon the termination of this act all powers, functions, and duties which this act authorizes and directs the War Food Administrator to exercise, and which have not otherwise expired, shall be exercised by the officers or agencies of the United States from which transferred or upon which they are otherwise conferred or imposed by law."

Mr. JENKINS. Mr. Chairman, I shall not press for a vote on this amendment. I just want to take enough time to say what it provides. This amendment provides for one-man control of all food activities. It is the exact language of the Fulmer bill which has been recommended by the Committee on Agriculture of this House. It is now pending before the Rules Committee.

This amendment should be a part of this bill, but the time for consideration of amendments to this section has been limited so much as to make it impossible to give intelligent consideration to these very important matters. This bill is of tremendous importance to all the people of the country. Everybody knows how

badly the New Deal administration has bungled the food situation in this country. There have been ten or twelve different organizations handling food and feed. They have vied with each other in overlapping activities until the people of the country have been sorely distressed and confused. The conditions still are bad. For instance, just a short time ago eggs were selling in Washington for 55 and 60 cents per dozen and are selling for 40 to 45 cents now. The farmer has been crowded down to 18 and 20 cents in many parts of the country. And only yesterday it was announced that the Government had 1,400 railroad carloads of eggs spoiling on the railroad tracks and that some of these had been sold for \$30 per carload. And again the Government has paid out many millions to milk producers in subsidies, and is still paying, yet there have been thousands of gallons of milk dumped into the sewers of the country in the past few weeks. There is complete chaos in some branches of the food industry. The only remedy is to put the food industry under one head, with power to act. Let one man, appointed by the President, have full authority to straighten out all these bad spots. Give him authority under legal directions and then permit him to operate free from the domination of this New Deal bunch that contaminates every operation that it engages in, and then hold him responsible.

This plan has been advocated by the Republican congressional food-study committee, of which I am chairman. This plan has been approved by practically all the agricultural groups in the country and by many growers of food and by many processors and distributors. There is no doubt as to its merits. The fact that it has been approved by the powerful and capable Committee on Agriculture of the House of Representatives is proof abundant as to its merits.

Mr. Chairman, I am sorry that we do not have the time to give this matter the consideration that its importance merits. I am sure that the country would applaud our actions if we would bring some relief to the people who find it difficult to get along with so many unnecessary regulations. I therefore think that I shall ask unanimous consent to have my amendments printed in the Record and withdraw them from a vote at this time.

The CHAIRMAN. Is there any objection?

There was no objection.

The CHAIRMAN. Does the gentleman from Michigan [Mr. CRAWFORD] desire to offer his amendment now?

Mr. CRAWFORD. Yes.

The CHAIRMAN. The gentleman from Michigan offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 5, line 4, after "defense area", strike out "housing accommodations" and insert "residential and retail store real property," and strike out "such accommodations" wherever the same appear and substitute "such real property," and striking out "housing or rental conditions" and substituting "residential or retail store renting conditions," and strike out on page 6, line 19,

"housing accommodations" and insert "residential and retail store real property" wherever the same appear.

Mr. CRAWFORD. Mr. Chairman, this amendment, if adopted would call for clarifying language in sections 2 (d), 4 (a), 4 (b), 202 (b), 205 (e), 307 (d), 307 (g), 307 (i).

The amendment is designed to give the Administrator the power to place price ceilings on retail store real estate the same as on housing in defense areas. Mr. Chester Bowles in a letter in relation to this stated:

As you know, the Emergency Price Control Act of 1942 does not empower this Office to regulate the rent of commercial real estate. Several bills authorizing rent control of commercial properties were introduced in the last session of Congress but failed to pass.

Mr. Fred Vinson, Director of the Office of Economic Stabilization, says:

As you know, Justice Byrnes some time ago requested the Congress to authorize rents control by amendments to the Stabilization and Emergency Price Control Acts. Up to this time the Congress has not been willing to comply with this request.

Because store properties are not covered by rent control what might be termed inflation money more and more is seeking opportunities in this field. Store properties are purchased and then when the lease expires rentals are substantially increased.

Another tendency having a similar ultimate effect has been the bidding up of store rentals by newly established specialty shops which are largely able to avoid price control applicable to stores already in business, and that is another inflationary force operating, you might say.

Surveys have been made which indicate that retail store rentals have increased from 4 percent up to 150 percent. All this amendment does, plus four or five clarifying amendments which would be necessary as I have said should the amendment be adopted, is to give the Price Administrator the power to include retail store real property under rental control along with residential property in a rental area. It is a non-inflationary amendment; I think it is a power which the Administrator certainly needs.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. ROWE. Is there anything in the amendment vesting the Administrator with the authority to suggest a day certain on which this shall be effective?

Mr. CRAWFORD. Should this language be changed as here recommended it simply, of course, conforms to the general pattern of the January and the October 1942 acts and in no other way changes the power of the Administrator. This gives him the power to regulate rents on commercial real estate for retail stores.

Mr. ROWE. In other words, in the California area it would be fixed at the rentals prevailing on January 1, 1941.

Mr. CRAWFORD. Whatever is provided in their regulations, and in the law.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HARNESS of Indiana. Does that mean that a lease contract entered into in 1944 would become ineffective and that the rent would have to go back to what it was on the date the gentleman has in mind?

Mr. CRAWFORD. The gentleman certainly is one of our keenest lawyers. That is a legal question. I refer the gentleman to the two laws for the answer.

Mr. HARNESS of Indiana. Is not that the answer?

Mr. CRAWFORD. That may be, but I am not going to answer it myself.

Mr. Chairman, that is all I have to say on the amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. WOLCOTT. Mr. Chairman, it is true that the Price Control Act does not cover this type of commercial property. I think we should have in mind the history of the attempt on the part of the administration to get control of rents of all property, the attempt on the part of the administration to regulate the use and occupancy of all real property. If we go back to October 2, 1942, we will recall that we passed the Stabilization Act. The President told us that if we did not do so he would assume to have the authority to amend or repeal an act of Congress and do so himself. Justice Byrnes was made Director of Stabilization after the Stabilization Act of October 2, 1942, was passed. Justice Byrnes decided that he did not have authority under the Stabilization Act to stabilize all rents, rents outside defense areas, rents of commercial property; and so he asked us on the 13th of October 1942 for that authority, in the bill H. R. 7695 of the Seventy-seventh Congress. On October 14 we passed a bill very much different from that asked by the administration, because the bill asked for by the administration would authorize the President to issue an order or orders regulating the rent of all real property and regulating or prescribing the recovery of possession of all real property without regard to subsequent sale and any practices or agreements relating to the leasing or renting of real property or the possession or occupancy thereof. That was all they asked for on October 13. It was, of course, very unsatisfactory because under that they would have had the authority to tell any person the head of a household in the United States that he should have his child sleep downstairs on the couch to make available a sleeping room to be rented to anyone whom the Administrator might send to his front door. So we amended that act to provide that in order to aid the effective prosecution of the war the President be authorized and directed to issue an order or orders regulating and stabilizing the rent of residential and commercial real estate, including the rent and rates charged by hotels and rooming houses, and so forth. We passed that bill in the House almost unanimously, I believe. It

went to the Senate and the bill died in the Senate. It died in the Senate because the President had, on October 19, issued a directive assuming to have the power which we had denied to him on October 14.

So far as I am concerned, if they get any more control, any broader control, over property than they have today they have got to come back here and ask specifically for it. I am not for any amendment which will broaden this act to give them the control of commercial properties with all of the power they assume to have over the use and occupancy of property, the recovery and possession of property.

I hope the amendment will be defeated.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BARRY. Many of these stores were undoubtedly started since the war began.

When the war ends and a lot of these defense areas break up, those holders will lose many of their tenants?

Mr. WOLCOTT. Yes. Of course, if it is predicated on the idea it is necessary to regulate the rents of retail establishments in order to regulate the prices of the goods sold in those retail establishments, then it is just as logical to say that you should regulate the rent of the brokerage office or the commission merchants or anybody else having to do with any commodity.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The amendment was rejected.

Mr. RIZLEY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RIZLEY: Page 12, line 2, insert the following subsection (q): "No maximum price shall be established or maintained under this act or otherwise with respect to watermelons."

[Mr. RIZLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. ALLEN]?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Chairman, I support the amendment of the gentleman from Oklahoma [Mr. RIZLEY] to exclude watermelons from the operation and control of the Price Control Act. I understand the O. P. A. is fixing to place melons under price control. While watermelons are very, very good, they are not necessary, staple articles of food. There is no necessity to control those prices like there is meat, flour, lard, and such items that we all have to have. In the next place, watermelons are perishable. They have to be gath-

ered and marketed at just the right time. In the third place, growing a crop of watermelons is a very uncertain thing. I know a little something about it myself, for I was reared on a farm and grew melons. The seasons have to be just right. Either too much rain or too little rain will ruin your crop. The fertilizer must be just right. Either too much or too little will not get the best results. It takes a lot of work, time, and attention to grow good melons.

It is the business of O. P. A. to hold down the price of articles of food that control the cost of living. The influence on the cost of living of watermelons at most can be only infinitesimal. I think the O. P. A. should let the regulation of watermelons alone. The farmer who grows them gets little enough at best. The farmer never gets a price for his products in keeping with the industrial wages paid in the North and East. I urge that this amendment be passed and that the O. P. A. leave watermelons free from this regulation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. RIZLEY].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 71, noes 77.

Mr. RIZLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MONRONEY and Mr. RIZLEY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 83, noes 79.

So the amendment was agreed to.

Mr. FOLGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: Amend paragraph (h) of section 2 of H. R. 4941 by adding at the end thereof the following:

"Nor shall such powers be used to deny an appropriately higher individual or group price ceiling, in lieu of the industry ceiling, to any individual processor of a product processed or manufactured in whole or in substantial part from an agricultural commodity, including livestock, when the ceiling for his industry would reduce the return of profit from his operation substantially below such return for the normal pre-war period determined by the Administrator and when such processor is not among the marginal high-cost processors of the product involved and where both his percentage of profit on sales and his percentage of return on capital invested (figured without compelling changes in the business practices, cost practices or methods, or means or aids to distribution established in the processor's business) are above the corresponding percentages in the normal pre-war period.

"The maximum price or prices established under this act or otherwise for any processor affected hereby shall be adjusted to the extent necessary to conform with the requirements of this paragraph as promptly as possible and within 60 days after the date of the enactment hereof."

Mr. FOLGER. Mr. Chairman, this amendment eliminates from a former amendment which I presented to the House the words, "on each product or commodity." That is left out. The original amendment provided for 90 percent marginal distinction. The amendment that I have offered here today

leaves the question of the marginal distinction to be determined by the Office of Price Administration in determining who will be entitled to any relief under this amendment.

This amendment is a matter of the simplest minimum of justice to those producers in this country who are caught destructively in the deficiencies of administration of the Price Control Act. It has no element of provision for and no mechanism for making possible the making of a single dollar out of this war.

It refers not at all to producers who are making more or as much as in normal peacetime. It touches only those cases where the producer is making less than in peacetime. And the question of whether he is making less is to be tested in every pertinent way: First, he must be making less in amount of dollars than he was making in the normal pre-war period; second, his percentage of profit on sales must not be above that which he made in the pre-war period; and third, his percentage of profit on capital invested must not be above that made in the normal pre-war period. In a word, the amendment is directed to the relief of those producers who, without intentment of the Congress to that end, are being unjustly impaired or destroyed through the administration of an act which had no such purpose.

Mr. Chairman, I received a telegram which I desire to read to the House, sent me voluntarily and without any procurement on my part. This telegram was also sent to other members of our delegation:

We understand that Congressman FOLGER is redrafting an amendment to the Price Control Act for introduction today which will require the establishment of special ceiling prices for individual processors of farm products where a processor can show that the industry-wide ceiling as fixed by O. P. A. will reduce his profits below levels which existed during a pre-war period selected by the O. P. A. Administrator as normal. The continued use of industry-wide flat ceilings will either result in financial loss for some processors or cause them to buy farm products at less than ceiling prices established for those commodities. The adoption of this principle will not permit war profiteering but will prevent the squeezing out or weakening of some processors and further trends toward monopoly control. Adjustment of prices to fit needs of individual processors will be less inflationary than any flat increases on an industry-wide basis which may later become necessary. We hope that you will support the principles of the Folger amendment.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. Does the gentleman's amendment make it clear that the comparative profit is based on a percentage or upon the gross profit made?

Mr. FOLGER. It is based upon the percentage.

Mr. MORRISON of North Carolina. Then would it not be possible for a producer or manufacturer making a very high percentage before the war on a very small volume of business now to get a

very high percentage on a very large volume of business?

Mr. FOLGER. No.

Mr. MORRISON of North Carolina. Does the gentleman's amendment provide for equalizing the profits so he can make as much but no more?

Mr. FOLGER. It does not provide that he shall make anything, but it must be a percentage-wise basis; that is, first he must be making less in amount of dollars than he was making in the normal pre-war period.

Mr. MORRISON of North Carolina. Less in the amount of dollars.

Mr. FOLGER. Yes.

Mr. MORRISON of North Carolina. And it would not apply to anybody else?

Mr. FOLGER. That is right. He must come in that category; second, his percentage of profit on sales must not be above that which he made in the pre-war period; and, third, his percentage of profit on capital invested must not be above that made in the normal pre-war period. He has to meet all three of those conditions.

Mr. MORRISON of North Carolina. It is clear that if he is not making more money than he made before the war, it does not apply to him; that is right, is it not?

Mr. FOLGER. He must meet all three conditions.

Mr. MORRISON of North Carolina. Does the gentleman in all seriousness think it will apply to anybody in the United States? I did not know there was anybody who was not making more money.

Mr. FOLGER. There are hundreds of individuals in my State as well as the gentleman's State who are absolutely unable to survive unless they have the benefit of the provisions of this measure.

Mr. MORRISON of North Carolina. I do not agree with the gentleman's facts.

Mr. FOLGER. And some are making eight and nine times as much.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. What valid objection has been raised or what valid objection can there be raised to this amendment?

Mr. FOLGER. Not anywhere in Washington.

Mr. DOUGHTON. I have not heard of a single valid objection raised to it yet.

Mr. FOLGER. Not anywhere in Washington.

This amendment is a matter of the simplest minimum of justice to those producers in this country who are caught destructively in the deficiencies of administration of the Price Control Act. It has no element of provision for and no mechanism for making possible the making of a single dollar out of this war.

It refers not at all to producers who are making more or as much as in normal peacetime. It touches only those cases where the producer is making less than in peacetime. And the question of whether he is making less is to be tested in every pertinent way: First, he must be making less in amount of dollars than

he was making in the normal pre-war period; second, his percentage of profit on sales must not be above that which he made in the pre-war period; and, third, his percentage of profit on capital invested must not be above that made in the normal pre-war period. In a word the amendment is directed to the relief of those producers who, without intentment of the Congress to that end, are being unjustly impaired or destroyed through the administration of an act which had no such purpose.

Passing over with mere mention the unwarranted dislocations and injustices that, except for this amendment, will be forced among competing units in industries the effect upon growers of farm commodities can be disastrous. When those who purchase the highest grades of commodities find themselves penalized for so doing it may easily become impossible for them to continue so to do. At the best a high pressure against the best prices for farm commodities is established and applied. Moreover, where advertising of products is necessary to maintain volume, particularly for the higher-grade products, a forced discontinuance of advertising will naturally result, if not in wartime certainly afterward, in loss of market for these products through which the farmer gets his best commodity returns.

One more point—the effect upon stabilization or control of inflation or cost of living. Without the relief provided by this amendment it is apparent that when a price raise becomes necessary in an industry the raise will affect all of the products in the classification though some producers may not need the raise. That is forced and deliberate inflation and, as against results under this amendment, would leave the consumer no place at which he could buy a product of the same kind at the old price. It takes no imagination to see that as far as inflation or the cost of living is concerned the argument is with the method of the amendment and against the present method of using only industry ceilings.

In the interest therefore of simple justice, of avoiding unnecessary destructiveness, of serving stabilization, of holding down the cost of living, and of avoiding limitation on and hurt to farmers' markets, both now and in the post-war period, the adoption of the amendment is urged. And again, attention is called to the fact that it is exactly in line with Mr. Brownlee's testimony and goes further only in that it recognizes one set of standards for the application of his proposal to use individual ceilings to relieve against injustices.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have not been able to distinguish clearly the difference between this amendment and the amendment which the gentleman from North Carolina offered, I believe, yesterday. However, I will discuss this amendment.

It will be recalled that the two amendments are very similar, and that this Committee has once acted negatively on the same subject matter. We started out here with the idea that we could not,

under price control, guarantee a profit to all producers and processors.

Of course, it would be the ideal thing to do. The tobacco manufacturers, the tobacco processors, the cotton producers, the cotton processors, all the way down the line—I do not believe there is a Member of Congress but who would like, if it were possible, to provide that everyone in the United States would make a profit on his efforts. But we cannot do it if we are going to have price control. It just cannot be done.

As I understand, if the gentleman's amendment is adopted, then we will have given to the producer of agricultural products and the processor of agricultural products the assurance that no price is going to be established which will not guarantee to him a margin of profit comparable to that which he received at some base period. It would be ideal, it would be utopian if we could guarantee everybody in the United States the same profit he got in a comparable period a year ago or two years ago or in that period of his life where he got the highest salary or received the most for his crops or the most from the product of his labor. That is utopian. If we have Utopia in that respect we cannot have price control. We cannot have both.

I do not understand why, yet I do understand—of course, all men are inherently and basically selfish. I do not mean this, of course, against anybody who is sponsoring or supporting this amendment, but taking many of the amendments which have been offered, they are in response to that trait of character which is inherent in all of us. We want to get all we can at all times. But in this case we have a fundamental problem to solve, whether we shall win this war and whether we shall win the peace by stabilizing our economy.

Does not that sound rather peculiar coming from me, coming from me who has denounced the administration of price control as I have? It seems to me that somebody else who is equally concerned about the stabilization of our national economy should be up here. Many of you, dozens of you, should be up here before this microphone now protecting our efforts to prevent a destruction of the machinery which we have set up to stabilize our economy so that there can be an effective and a lasting peace when they come back.

I implore this Committee today not to do what they have just done in respect to watermelons or what they might do in respect to this amendment. We must take into consideration that we are legislating in respect to a broader field than just watermelons or tobacco or cotton or any other particular product. We are legislating here today in respect to inflation, to the general price line. If you break through that price line you start the spiral. Whether you start it with cotton goods, whether you start it with textiles, whether you start it with sugar beets or coffee or wherever you start it, does not make any difference. If you start it, then it is going to get out of control.

I am talking now to the men on my own side here. Treat this thing seri-

ously and let the country know by your actions today whether or not you want to safeguard this America that these boys are fighting for, whether you will do your bit. These letters you have been getting, that I have been getting, that we have all been getting by the thousands—you must have courage today to stand up and tell these constituents of yours that you are here not only to represent them in their selfish motives, you are here to represent every living soul in the United States, and you are here to protect the Constitution of the United States and this economy in order that we will have something after this war instead of economic chaos.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Is the time limited so that no one can be recognized in support of the amendment offered by the gentleman from North Carolina?

The CHAIRMAN. Time is limited on this whole section.

Mr. COOLEY. I knew it was limited on the whole section, but I did not know it was limited on this amendment and that no one could rise in support of the amendment.

The CHAIRMAN. Only 5 minutes is allowed for an amendment and 5 minutes in opposition to it.

Are there further amendments to section 2?

If not, the Clerk will read.

The Clerk read as follows:

SEC. 3. (a) Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture."

(b) Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(g) Whenever a maximum price has been established, under this act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity."

Mr. MORRISON of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Louisiana: Page 12, line 18, strike out the word "subsection" and insert the word "subsections"; and on page 13, in line 2, strike out the quotation mark; and on page 13, after line 2, insert the following subsection:

"(h) No maximum price shall be established or maintained under this act or otherwise with respect to any highly perishable fresh fruit, including fresh strawberries, peaches, cherries, and raspberries."

Mr. MORRISON of Louisiana. Mr. Chairman, this amendment provides that there shall be no ceilings or price control on these highly perishable fruits. They are in a class by themselves, and they are a luxury. It is not necessary to have any of these highly perishable fresh fruits under price control because there is not a man or woman in the United States but who could live a normal life for their entire span of life without any of these highly perishable fruits. They are clearly and simply a luxury. At the present time the majority of them have not been under price control, and the consuming public and the people of America have suffered no damage. On the other hand, you can take the record of the Florida season, which has a practical monopoly on strawberries, from December 15 until April 1, and you will find that the average price for the past two seasons has been lower than in any pre-war periods. Therefore, as far as affecting our national economy, this does not affect it. The first ceiling price that was put on strawberries was put on around May 1, and it fixed a ceiling in many instances which was below the actual cost of production, in my State as well as in other States, and there are over 20 States producing strawberries on a commercial scale. By that ceiling price they completely wiped out our streamlined efficient method of selling strawberries at auction, which gave the small farmer the same opportunity as the larger farmer to have the entire buying public of the United States bid on those particular strawberries regardless of the amount, and they thereby destroyed with a ceiling price an entire business practice that had been built up. Here is what is going to happen if you continue a ceiling price on strawberries. Instead of putting up a fancy package which has all the culls or No. 2 taken out, which will give you a real quality package, those farmers down there will go out in the field and get out the field run, the rotten ones, and the green ones, and put them in there and ship them to the market. It not only affects, we will say, the farmers at that end, but strawberries being of such a highly perishable nature, you cannot hold them for a higher price; you have to sell for the price you can get.

I want to say that under the ceilings as provided by the O. P. A., after 30 Congressmen and 15 Senators begged them not to do it, they fixed in Chicago, Ill., as an example, where a farmer had been getting his strawberries sold there for \$50 a car; under the O. P. A. it was \$580 a car, and that was \$530 that the farmer did not get.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that the ceiling price on strawberries was not placed on strawberries until after the recent primary election in Florida?

Mr. MORRISON of Louisiana. That is correct.

Here is another thing. The acreage has been cut in the United States more than 50 percent. That is proof that if there had been so much money in growing strawberries instead of decreasing one-half of the acreage in the United States, there would have been an increase. I say this: I have checked personally, and since the ceiling prices went on the Louisiana crop the consumers bid as much, if not more, in some instances for strawberries and in most instances a little bit more after the ceiling price went on as they did before, and the ultimate result was that the farmer did not get it.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. JENKINS received permission to revise and extend his remarks).

Mr. BUSBEY. Mr. Chairman, during the 4 days of debate on the bill to continue price control I have heard many Members talk about maintaining the home front by working against inflation. I will gladly support sound measures against inflation, but there is one sector of this home front that seems to have been neglected and I think it very important. That is the personnel charged with administering the Price Control Act. Congress is the legislative and not the executive branch of our Government. Congress can pass all the laws you want, but there will always be trouble as long as you have men in key positions administering these laws who oppose our republican form of government. I refer to three individuals particularly: Tom Tippet, Shad Polier, and Thomas I. Emerson, who, in my judgment, are not qualified to be on the Federal pay roll. Who are these men and what have they been doing?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. AUGUST H. ANDRESEN. What position does this Tippet hold down here?

Mr. BUSBEY. Tom Tippet is chief field secretary of the Rent Division of the O. P. A., at a salary of \$6,500 a year, and he is the man who is running the Rent Division, and nobody else. If you think Ivan Carson is running it you are badly mistaken.

Mr. Chairman, I hold in my hand a photostatic copy of the first issue of the Daily Worker, the official Communist newspaper in the United States. The Worker newspaper had been published as a weekly from February 2, 1922, until Sunday, January 13, 1924.

On the front page is an article appearing under the name of Tom Tippet. Under the name, in smaller letters enclosed in parentheses, is the following:

(Staff correspondent of the Federated Press and the Daily Worker).

Because of the interest shown in the personnel of O. P. A. by the Members of Congress, I now read from the editorial in this edition, entitled "Here Is 'The Daily!'" This editorial adjoins the article by Tom Tippet.

In the first issue of the Weekly Worker, February 2, 1922, we wrote, "This, the first

edition of the Worker, is the advance agent of the Daily Worker."

Now, in this first issue of the Daily Worker, we join hands with the comrades of the Communist International in declaring that the Daily is but "the forerunner of more revolutionary dailies in other parts of the country."

Thus, from one advance position, we move forward to another next ahead. The Daily is here, and we turn a new page in the world story of labor's struggle. Another chapter begins for America's working class. The first English-language Communist daily in the world has been realized.

Only the momentous developments of the not far future will reveal the tremendous significance of this present historic achievement.

A giant is born! A new voice is raised, battling for the workers and farmers of America, carrying its promise of many more such voices; of many Communist dailies to come!

Not only in Russia, in Germany, in Italy, in the Scandinavian countries, in Czechoslovakia, in France, in Mexico, and in a host of other lands, but in those countries where the English language dominates as well, the Communist message will now spread daily among the marching, militant hosts of the exploited in the cities and on the land.

The Tom Tippet who was the staff correspondent of the Federated Press and the Daily Worker, is the same Tom Tippet who dominates, controls, and formulates the policy of the Rent Division of O. P. A. I leave it to you to draw your own conclusions.

TOM TIPPETT, CHIEF FIELD SECRETARY, RENT DIVISION, O. P. A., SALARY, \$6,500

World War No. 1: Secretary, grievance committee, W. M. W. of Illinois; delegate to trades and labor council.

World War No. 1: Organizer for amalgamated clothing workers.

1919-22: Solicitor, correspondent, and business manager of Federated Press.

1922-27: Educational director, U. M. W.

1927-32: Instructor in economics and extension director, Brookwood Labor College, Katonah, New York.

1932-36: Teacher for affiliated summer schools for workers and the American Educational Labor Service.

1936-40: Research department, W. P. A., \$3,200 to \$4,200.

1940, May to October: Personnel manager, PM, New York, \$5,600. It was in this period when Mr. Tippet was personnel manager of PM that a significant number of pro-Communists were employed on its staff, and a number of anti-Communists were dismissed.

November 1, 1940-June 1, 1941: Business manager, N. Y. A., and assistant to Karl Borders, the Deputy Administrator of N. Y. A., under Aubrey Williams.

June 1, 1941 to date: Chief field secretary, Rent Division, O. P. A., \$5,600 to \$6,500.

Tom Tippet's radical record goes back many years. We first find him in the radical fold as an employee of the Federated Press. Successively, he served the Federated Press as solicitor of funds, correspondent, and finally as business manager. His connection with the Federated Press covered the years 1919-22.

The radical character of the Federated Press is accurately reflected in the fact that William Z. Foster, long the head of the Communist Party in this country, was a member of its board. The radical character of the agency is still further reflected in the fact that the largest donations by which it operated were received from the notorious Garland fund.

In September 1923 we find Tom Tippet acting as one of the principal speakers on the occasion of International Youth Day in Chicago. This occasion was strictly an affair of the Young Workers League, and was organized on specific instructions from Moscow. The Young Workers League was the name under which the young Communists were organized in those days.

From 1927 to 1932, Tippet was on the staff of Brookwood Labor College. During Tippet's connection with this institution, the American Federation of Labor denounced the institution on the ground of its Communist character. In one of its official reports, Brookwood boasted of the large number of its graduates—engaged in labor political activity—who were Communists. That report declared:

Out of 43 persons engaged in labor political activity, 31 are Communists. Be it said to Brookwood's credit that it has not manufactured any Republicans or Democrats.

During the period that he was at Brookwood Labor College, Tippet was a member of the national executive committee of an organization which we know as the Conference for Progressive Labor Action. On the letterhead of this organization there appeared the following statement of purpose:

It aims to inspire the workers to take control of government and industry, to abolish capitalism, and to build a workers' republic.

The declaration of purpose which the Conference for Progressive Labor Action publicly avowed was nothing more nor less than a Communist pronouncement. The preamble to the constitution of the Conference for Progressive Labor Action paid its respects to democracy in the following words:

Sham, political democracy which has been the tool of capitalist business, and finance must also go.

Mr. Tom Tippet was listed as one of the signers that called the Trade Union Conference, arranged by the Provisional Committee Trade Union Conference for United Action in Cleveland, Ohio, on August 26 and 27, 1933. Among the other signers were such well-known Communists as I. Amter, Herbert Benjamin, Earl Browder, William Z. Foster, Ben Gold, Clarence Hathaway, Roy Hudson, and others.

On January 24, 1936, at the Hotel Lismore in New York, there was held a banquet in honor of the forty-fifth anniversary of Ella Reeve Bloor's entrance into the field of radical activity. Mother Bloor, as she is popularly known, has been the outstanding woman leader of the Communist Party for more than 20 years. Tom Tippet was a sponsor of the banquet which was held on January 24, 1936. The banquet was organized by the

central committee of the Communist Party of the United States.

Tippett's writings further establish the radical character of his views and activities. In one of his books *Your Job and Your Pay*, Tippett discussed the Constitution of the United States at some length. In referring to the authors of our Constitution, Tippett said: "They were not drawing up a constitution for the welfare of the people as a whole; they were trying to set up a government that would protect their interests as property owners." This viewpoint paralleled that of the Communist Party at the time.

After lengthy and exhaustive study and investigation, the Civil Service Commission on December 23, 1941, found Tom Tippett ineligible and recommended his removal from the Federal pay roll. On March 14, 1942, the Civil Service Commission reversed itself, and recommended that Mr. Tippett be retained on the Federal pay roll.

SHAD POLIER, HEAD ATTORNEY, LEGAL DEPARTMENT, ENFORCEMENT DIVISION, FUEL AND CONSUMERS BRANCH, SALARY \$6,500

Shad Polier, formerly Isadore Polier, was a member of the national committee of the International Juridical Association which, while it existed, was an affiliate of the International Labor Defense, cited by the Attorney General as the "legal arm of the Communist Party." The International Juridical Association was an organization of lawyers cooperating with the International Labor Defense and the Communist Party through its branches throughout the world.

Founded on May 1, 1932, the international Communist holiday, the bulletin of the International Juridical Association carried the following quotation from the preamble to the constitution of the American section of the International Juridical Association, showing its deep-seated hostility to the American Government:

Present America offers the example of a country discarding traditions of liberty and freedom, and substituting legislative, administrative, and judicial tyranny. This country, once known to the world as the haven of refuge of oppressed peoples, now excludes or deports those daring to voice unpopular opinions; with a constitution supposed to protect freedom of expression, it now persecutes and imprisons its political dissenters. * * * The American section of the I. J. A. declares its purposes to be * * * to combat * * * and resist increasing executive, judicial, legislative, and administrative oppression; * * * to rally to the support of workers and their organizations * * * against the forces of the state whenever and wherever the latter aligns itself on the side of special privilege.

With Mr. Polier on the national committee of the I. J. A. were the following avowed Communist attorneys: Leo Gallagher, David J. Bentall, Isaac E. Ferguson; also Joseph R. Brodsky, attorney for the Communist Party, and found by the British Government to have been a secret contact man between the United States section of the Communist Party and Moscow; also the following well-known attorneys identified with the defense of Communist cases: Osmond K. Fraenkel, Nathan Witt, George R. Andersen, Aubrey Grossman, Leo Gallag-

her, David Bentall, Pearl M. Hart, Abraham J. Isserman, Louis F. McCabe, and Carol Weiss King, executive secretary.

From 1932 to 1942 the International Juridical Association has defended numerous Communist cases in its official bulletin. During the Stalin-Hitler pact, the I. J. A. opposed the Burke-Wadsworth conscription bill.

The Communist Party, United States of America, has openly expressed its support of the American Friends of Spanish Democracy, which has been cited as subversive by the Special Committee on Un-American Activities—report, March 29, 1944. Mr. Polier supported this organization, as well as its associate, the Coordinating Committee to Lift the Spanish Embargo, which was also cited as subversive by the Dies committee—*Daily Worker*, April 8, 1938, page 4; booklet, *These Americans Say*.

Mr. Polier is listed as a member of the Washington Book Shop, cited as subversive by the Attorney General, where Browder's works are openly on display and for sale.

The *Daily Worker* of March 3, 1936, page 3, describes a hearing held in Rutland, Vt., in behalf of the Communist-led and supported strike of the Vermont marble workers. Appearing at this hearing was a New York delegation, headed by Rockwell Kent, an artist, who has openly declared his Communist views in his book, *This Is My Own*, and I. Polier, chairman of the International Juridical Association, who acted as counsel for the strikers.

The *Daily Worker* of December 21, 1936, page 4, gives its support to the sit-in strike of relief workers in New York City, for whom Mr. Polier acted as counsel.

Mr. Chairman, I now wish to read an excerpt from an interoffice communication, National Labor Relations Board, to Nathan Witt, Esq., from Elinore M. Herrick, director, second region, dated December 2, 1940, on the subject of Shad Polier:

CONCLUSION

I cannot rely on Polier's discretion or accuracy and am nervous all the time, as I do not know what he is doing on cases and have had so many indications that he is taking undue interest in certain situations. Do not feel that conflicts between 2 major organizations can safely be entrusted to him to handle. Cannot get file notes on conferences on cases from him, or interviews with witnesses, and so cannot keep track of his work. His speed in handling is conceded, but he does it at a sacrifice of records and decorum. He is permitted to grab work while other attorneys equally capable are assigned only 2 cases for trial and 1 authorization report for review during a week in which Polier reports work on 11 cases pending for trial and 2 for review of authorization reports. Is a disrupting force in a small organization.

Polier was sent up here on a temporary assignment. I think it has now become more than a temporary assignment, and I should like to have him transferred back to his regular work, whatever that may be.

ELINORE M. HERRICK,
Regional Director.

THOMAS I. EMERSON, DEPUTY ADMINISTRATOR FOR ENFORCEMENT, O. P. A.; SALARY \$8,000 PER ANNUM

Born: 1907 in New Jersey.

Education: Yale, A. B., 1928; LL. B. 1931.

Previous experience: Law clerk, 1931-33 with Engelhard, Pollak, Pitcher, & Stern. Walter Pollak, of this firm, was attorney for Earl Browder; 1933-34, assistant counsel, National Recovery Administration, \$3,600 to \$6,000; 1934-36, principal attorney, National Labor Relations Board, \$6,000; 1936-37, principal attorney, Social Security Board, \$6,000; 1937-41, assistant and associate general counsel, National Labor Relations Board, \$6,000 to \$7,000; 1941-42, special assistant to Attorney General, \$7,000; 1942 to date, Deputy Administrator for Enforcement, O. P. A., \$8,000.

Thomas I. Emerson has been extraordinarily active in three of the most influential Communist-front organizations in Washington, D. C. These three are the International Juridical Association, the National Lawyers Guild, and the Washington Committee for Democratic Action. His position in these organizations for the past few years has not been simply that of a rank-and-file member, but of a leader.

With respect to the Washington Committee for Democratic Action, Attorney General Francis Biddle wrote a lengthy memorandum which he sent to the departmental heads of the Federal Government, and in which he characterized the organization as subversive. Attorney General Biddle stated in this memorandum that the Communist control of the Washington Committee for Democratic Action was so clear from the very inception of the organization that no one of its active members could have been unaware of that control.

Thomas I. Emerson has been one of the most active and prominent leaders of the Washington chapter of the National Lawyers Guild. That organization, and particularly its Washington chapter, has been under the control of Communists since its inception. Early in 1940 the Communist hand in the National Lawyers Guild was so evident that Robert H. Jackson, then Attorney General, and Adolph A. Berle, Assistant Secretary of State, resigned from the Washington chapter with the public declaration that the organization was "not prepared to take any stand which conflicted with the Communist Party line." Despite this public rebuke from Jackson and Berle, Thomas I. Emerson continued as one of the most prominent leaders of the Guild.

The International Juridical Association is one of the many front organizations of the Communist Party. Thomas I. Emerson was a member of the national committee of the International Juridical Association, which, while it existed, was an affiliate of the International Labor Defense, cited by the Attorney General as the "legal arm of the Communist Party." The International Juridical Association was an organization of lawyers cooperating with the International Labor Defense and the Communist Party, through its branches throughout the world.

Founded on May 1, 1932, the international Communist holiday, the bulletin of the International Juridical Association carried the following quotation from the preamble to the constitution of the

American section of the International Juridical Association, showing its deep-seated hostility to the American Government:

Present America offers the example of a country discarding traditions of liberty and freedom, and substituting legislative, administrative, and judicial tyranny. This country, once known to the world as the haven of refuge of oppressed peoples now excludes, or deports, those daring to voice unpopular opinions; with a Constitution supposed to protect freedom of expression, it now persecutes and imprisons its political dissenters. * * * The American section of the I. J. A. declares its purposes to be * * * To combat * * * and resist increasing, executive, judicial, legislative, and administrative oppression * * * To rally to the support of workers and their organizations * * * against the forces of the State whenever and wherever the latter alines itself on the side of special privilege.

Serving with Thomas I. Emerson on the national committee of the organization as leaders are the following:

Isaac E. Ferguson, one of the original Communists in the United States, who was sentenced to a 10-year prison term on a charge of criminal anarchy.

Yetta Land, State chairman of the Communist Party of Ohio.

Maurice Sugar, well-known Communist attorney of Detroit, who served a prison term as a draft dodger in the First World War.

Leo Gallagher, well-known Communist attorney of California, who was the Communist Party's candidate for Secretary of State in California in 1938.

David J. Bentall, well-known Communist attorney of Chicago, who was the Communist Party's candidate for attorney general in Illinois in 1928, and also one of the original Communists in the United States.

John P. Davis, Negro Communist attorney, who is executive secretary of the Communist-controlled National Negro Congress.

Abraham J. Isserman, Communist attorney in Newark, N. J.

Joseph R. Brodsky, Communist attorney in New York, who was revealed as an agent of the Communist International by documents seized in a raid by the British Government in London.

The International Juridical Association followed the ever zigzagging line of the Communist Party ever since its inception some 10 years ago.

From 1932 to 1942 the International Juridical Association defended numerous Communist cases in its official bulletin. During the Stalin-Hitler pact, the I. J. A. opposed the Burke-Wadsworth conscription bill.

Non-Communist associates of Emerson in the National Labor Relations Board have informed the various intelligence agencies in Washington of his open and aggressive Communist activities while he served with the Board. When Emerson first went with the Office of Price Administration, the Civil Service Commission sent Leon Henderson an adverse report on him. This adverse report was based upon the testimony of numerous witnesses who told the Commission's investigators of Emerson's devotion to the ideology of communism.

It has been reported that the file of Thomas I. Emerson, containing many adverse reports on him, is now missing from the files of the Civil Service Commission.

Thomas I. Emerson has for many years been very closely associated with Nathan Witt when he was executive secretary of the National Labor Relations Board, and who since his retirement from the National Labor Relations Board has more and more openly alined himself with the Communists. Mr. Nathan Witt was, and I believe still is, the official attorney for the National Federation for Constitutional Liberties, which organization was cited as subversive by Attorney General Biddle. It is quite significant that Emerson and Witt tendered their resignations to the National Labor Relations Board at the same time.

Mr. Chairman, in view of the record of these three men there is only one logical conclusion to which we can arrive. That is, the New Deal administration not only condones men of their type in Government positions of responsibility but insists on their being there. I was amazed to find when I examined the personnel files of these three men in the Office of Price Administration today that there was not a single record in the files of an investigation having been made regarding their qualifications for office.

It is high time that the people of this country begin to realize that it is men of this type who are in key Government position by the hundreds. For this condition the administration of necessity must assume all responsibility.

Our men in the armed forces are entitled to return to the same form of government they left, and for which they are fighting. If the present trend to the left is not reversed immediately those responsible for this condition will have to answer to them. This is a challenge to every loyal, patriotic citizen to stand up and fight against this radical bureaucracy that has been built up in Washington under the New Deal administration.

This Congress can pass all the laws it cares to, but I insist that the battle on the home front cannot be won unless men who understand and appreciate our form of government are put in positions of trust and responsibility.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BUSBEY] has expired.

Mr. BUSBEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we will have to agree that the cause for many of these amendments is the fact that some of the people handling the law which we put in their hands have been rather indiscreet. The gentleman from Louisiana [Mr. MORRISON] offered an amendment pertaining to strawberries. As a every Member of this House knows, strawberries are very highly perishable.

The crop started in Louisiana and Florida with no ceiling. Prior to that the O. P. A. had called together the Industry Committee. That is the Industry Committee which we provided for in the last law we handed to them. Their own Industry Committee investigated and made a unanimous report to them, recommending that they not attempt to put ceiling prices on strawberries. In face of that, they proceeded to place ceilings on after the bulk of the Louisiana crop had been handled, and after the Florida crop had been handled, but just as the North Carolina crop began to move. The North Carolina crop had been over 50 percent destroyed by frost. The O. P. A. prices resulted in the North Carolina berries bringing about one-half the amount the Florida and Louisiana berries brought. There were not as many berries on the market as when the Florida and New Orleans crop was marketed, and yet strawberries were placed under a ceiling price. That is exactly what results when uninformed men begin to handle a crop with which they are not familiar. I fear it will not be long before you will not be bothered arguing about them, because right now over 50 percent of the acreage in North Carolina has been plowed up, within the last 18 months. That is where you get a large part of your strawberries. They are not going to handle this perishable crop if these boys up here who are handling it are not going to pay any attention to the Industry Committee or any attention to the weather conditions or the highly perishable nature of the product. It simply cannot and will not work. They are not going to try to fight the situation any longer.

Mr. JENKINS. Will the gentleman yield?

Mr. BARDEN. I yield.

Mr. JENKINS. That same condition obtains in the State of Ohio exactly.

Mr. BARDEN. It is most unfortunate that we have to legislate here having in mind personalities who are going to enforce the law. That is a tragic situation. Nevertheless, there is not a man within the sound of my voice but who knows that 75 percent of the amendments that have been offered have been offered as a result of the manner in which some particular section of the law has been administered. In this case there is no question about what it was. They came along just in the middle of the crop, I think about 10 days after North Carolina had started selling, and clamped on a ceiling. It did not result in any appreciable saving to those who were purchasing. It resulted in a poorer quality of berries and simply reduced the supply that ordinarily would have been available. That crop is fast disappearing because so many have been tinkering with it. The price of crates, the price of cups, the price of labor have all gone up until they were ready to quit producing, and now the O. P. A. steps in and gives them another slam on the head, and the crop is simply disappearing.

I do not think the handling of the strawberry crop by the O. P. A. will reduce the cost of living or do anything

else except possibly reduce the supply of strawberries that will be available.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent, Mr. BARDEN was granted permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FISH. I move to strike out the last two words.

Mr. Chairman, if we are to consider an amendment to do away with maximum prices on perishable fruit, I think we ought to add, in addition to strawberries, peaches, cherries, raspberries, currants, and grapes, all of which are highly perishable. What is sauce for the goose is sauce for the gander, so if we are to consider this purely on the ground of highly perishable fruit, we ought to include those that are highly perishable. For that reason I am offering an amendment to the amendment offered by the gentleman from Louisiana [Mr. MORRISON], and ask him if he will accept it.

Mr. MORRISON of Louisiana. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MORRISON of Louisiana. I will accept the gentleman's amendment. I want to make this observation, that every one of those fruits mentioned, with the exception of raspberries, did not have a ceiling price up to the present time, with the exception of strawberries, which went on approximately April 1, and raspberries which went on last year and when the farmers would not pick the raspberries they took it off. There is no ceiling price on raspberries up to this time. So every one of those fruits that are mentioned in that amendment and the amendment to the amendment, have not had a ceiling price, with the exception of raspberries, which did not work and was taken off, and with the exception of strawberries that has been put on.

Our economy has not been hurt; and I say in connection with what the gentleman from North Carolina and the gentleman from New York said, if you want to be fair and help a million people, let us put this amendment over. We did not put watermelons in because watermelons have already passed. Let us pass the rest of it and we will have watermelons, strawberries, and all the rest of them.

Mr. FISH. Mr. Chairman, I thank the gentleman from Louisiana for his helpful contribution. Fresh fruits stand in a category by themselves and must be marketed immediately and not be tied up in a lot of O. P. A. red tape and price controls. I have introduced my amendment in cooperation with the gentleman from New York [Mr. LEFEVRE] who represents Ulster County, N. Y., adjoining Orange County in my district. I am a member of the Orange County Farm Bureau and the Little Britain and Pomona Grange and know that the farmers and fruit growers of northern Orange and south-

ern Ulster in New York State are seriously affected by O. P. A. prices on highly perishable fruits which caused chaotic conditions last year with the raspberry crop.

Mr. MORRISON of Louisiana. Mr. Chairman, I ask unanimous consent to modify my amendment by including at the end thereof the following: "Blackberries, currants, and grapes."

The CHAIRMAN. Does the gentleman from New York yield for that purpose?

Mr. FISH. I yield for that purpose.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to modify his amendment to include at the end thereof: "Blackberries, currants, and grapes."

Is there objection?

Mr. SADOWSKI. I object, Mr. Chairman.

Mr. FISH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH as an amendment to the amendment offered by Mr. MORRISON of Louisiana: At the end of Mr. MORRISON's amendment insert the following: "Blackberries, currants, and grapes."

Mr. FISH. Mr. Chairman, I should like to address myself for a few minutes to the proposed amendment on fresh fruits. I voted against the amendment to include watermelons. I did so because I did not believe that watermelons were a perishable fruit or a highly perishable fruit. I shall vote for this amendment because I believe it is reasonable and logical and only includes highly perishable fruit and nothing else. I want to make my record clear in that respect. I do not think it will do any harm but will be a simple act of justice to the fruit growers who cannot contend with O. P. A. red tape, restrictions, and delays. I should like, therefore, Mr. Chairman, to get a vote on my amendment to the Morrison amendment to show exactly what it covers by including blackberries, currants, and grapes. These fruits are produced in large quantities in northern Orange and lower Ulster in addition to peaches, cherries, raspberries, and strawberries. The farmers and fruit growers of these highly perishable fruits are having their investments and livelihood jeopardized by unnecessary and oppressive O. P. A. regulations and price controls.

The CHAIRMAN. The time of the gentleman from New York has expired; all time has expired except that allotted to the gentleman from Oklahoma, who is entitled to the last 5 minutes.

Mr. SADOWSKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SADOWSKI. Was not the request of the chairman of the committee that debate be limited on the amendment offered by the gentleman from Louisiana?

The CHAIRMAN. The request of the gentleman from Kentucky was that all debate on section 3 and all amendments thereto end in 10 minutes.

Mr. MILLER of Connecticut. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER of Connecticut. Would it be appropriate to amend the amendment further by adding "tobacco, beans, corn, and all other farm products of Hartford County?"

The CHAIRMAN. Such an amendment would be in the third degree and not in order. After the amendment to the amendment is disposed of the gentleman may offer an amendment.

The gentleman from Oklahoma is recognized for 5 minutes.

Mr. MONRONEY. Mr. Chairman, as the amendment now stands as amended by the amendment offered by the gentleman from New York [Mr. FISH] and his products, I believe it includes fresh strawberries, peaches, cherries, raspberries, and then we go to blackberries, currants, and grapes, and leave out sections of the country which raise huckleberries, blueberries, plums, pears, and maybe apples, bananas, and other fruits.

This is another example of what you get into when you try to roll up influence and bring in amendments for any product a person would like to take out from under ceilings. We would like to have all products out from under ceilings but in order to have price control at all you have got to have a certain degree. Exempt fresh fruits and we would have to exempt vegetables and many other products and we would find ourselves without price control.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. FISH. I come from a great apple district, but I did not include apples, because I did not think them so highly perishable as other fruits.

Mr. MORRISON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. MORRISON of Louisiana. I believe the gentleman was present when I appeared before the committee. I recall one of the ranking members of that committee, my distinguished colleague the gentleman from Texas [Mr. PATMAN] stated that he was in favor of exempting these highly perishable fruits, but that he would have to vote against it because it would open the door. The door has now been opened by several amendments. But even though such amendments had not been agreed to that should not be a defense to this amendment because it certainly has merit and is fair. I should like to ask the gentleman if he was not present when that was done.

Mr. MONRONEY. O. P. A. advises us that the cost of living went up 3.4 percent last summer simply because we could not put ceilings on fresh fruits and vegetables. If we are going to exempt fresh fruits from any price ceilings we are going to have further price rises.

Mr. MORRISON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I have already given the gentleman half my time; I hope he will let me proceed. If we exempt every kind of fresh fruits and every kind of fresh vegetables we are going to get another rise of 3.4 percent.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. McCORMACK. I may say that the amendments adopted so far with reference to the exemption of specific commodities have not hurt the bill irreparably but if this and other similar amendments are adopted the bill will be in very bad shape. At the present time such openings as have been made in it can be repaired when we get back into the House or when the bill goes to conference.

Mr. MONRONEY. The gentleman is absolutely correct. If we open it up to exempt fresh fruit I do not know of any reason for not opening it up to exempt fresh vegetables and then irreparable harm will have been done to price control because you simply cannot have price control and exempt the majority of items which enter into the cost of living.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. OUTLAND. Is it not true that the committee took a big step forward in meeting the objections of fruit and vegetable growers in this country by inserting this subsection (g) by making a definite allowance for special hazards?

Mr. MONRONEY. And middle-season increases when they have a short crop and to meet emergency conditions. We have tried to give them all the help we could and still preserve the operation of price control but if you exempt this and if you exempt that all along the line then you are not going to have price control at all.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

The question is on the amendment offered by the gentleman from New York to the amendment offered by the gentleman from California.

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. MORRISON of Louisiana) there were—ayes 43, noes 116.

So the amendment was rejected.

Mr. HINSHAW. Mr. Chairman, I have an amendment at the Clerk's desk which I recognize is subject to a point of order. I concede the point of order on that amendment and ask unanimous consent that it be printed in the RECORD at this point.

The CHAIRMAN. The Chair appreciates the gentleman's assistance. Without objection, he may have permission to print his amendment at this point in the RECORD.

There was no objection.

The amendment referred to is as follows:

Page 13, line 2, add the following section after section 3:

"Sec. 4. (a) In carrying out the provisions of any rationing or other governmental program, no officer, employee, or agency of the Government shall issue or authorize the issuance or use of tokens of a diameter of less than 0.900 inch. Ration tokens of a lesser diameter than 0.900 inch now outstanding shall be withdrawn from circulation and de-

stroyed as rapidly as possible by the Price Administrator.

"(b) The Price Administrator is authorized and directed to pay all losses and damages sustained by any owner, operator, or lessee of coin-operated and coin-collecting devices on account of misuse by the public in said devices of ration tokens having a diameter of less than 0.900 inch, if claim therefor is made as provided in subsection (c).

"(c) Owners, operators, and lessees of coin devices who have sustained loss or damage as contemplated in this section may make claim therefor by filing same with the Price Administrator within 1 year after the approval of this act, but not thereafter.

"(d) In determining the amount of such losses and damages the Price Administrator shall take into consideration, among other factors, the retail market value of the merchandise dispensed by said devices as a result of the use of said ration tokens, the adult rates of fare where said tokens were used in fare boxes or turnstiles to procure rides on public transportation vehicles, and the cost of repairing, servicing, and replacing devices injured or made inoperative by the use of said tokens.

"(e) Disbursements made under the provisions of this section for and in connection with the payments of said claims and the expenses incurred by the Price Administrator incident to the prosecution of this work may be made from funds appropriated by Congress for the operation of the Office of Price Administration."

Mr. HINSHAW. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: Page 13, after line 2, insert a new section:

"The Office of Price Administration shall not issue any token or authorize the issuance of any token having a diameter of less than 0.900 inch, and shall forthwith cause to be withdrawn from circulation and destroyed any tokens of a lesser diameter that may have been issued or authorized to be issued heretofore."

Mr. WOLCOTT. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill under consideration.

The CHAIRMAN. May the Chair inquire of the gentleman, Has the Office of Price Administration issued tokens up to this time?

Mr. WOLCOTT. They have under the powers which they receive under the War Powers Act but not under the powers they received under this act.

The CHAIRMAN. But the Administrator does issue tokens?

Mr. WOLCOTT. Yes.

The CHAIRMAN. This would be a restriction of that, in the opinion of the Chair; therefore the Chair is constrained to overrule the point of order.

Mr. HINSHAW. Mr. Chairman, I do not know what the cash value of these tokens may be, however, the various transit companies throughout the United States are taking in a great number of them, not a tremendously large number but an important number, through their various coin boxes. That applies not only to the transit companies, but also certain vending devices are taking in a great number of these tokens. The gentleman who has charge of the drug store in the Mayflower Hotel told me the other day that they had to take out the stamp

vending device over there because people were using tokens in order to obtain 10 cents' worth of stamps.

The tokens used by the Price Administrator are approximately the size of a dime and they are used in place of a dime where one perhaps does not have the cash available but has an extra token or two. At all events, it is not only the use of the tokens in place of a dime but the cost of repairing the machine is a matter of concern. I am informed through testimony given before the committee, as well as from a letter written by a transit company in Los Angeles, that it cost approximately \$10 to repair the coin-collecting machines in which these fiber tokens are placed.

As long ago as last July, perhaps before that, at least 6 or 7 months prior to the time the tokens were issued, the transit companies of the United States objected to the Price Administrator using tokens of a diameter of less than nine-tenths of an inch in the fear that these tokens would jam up the various coin-collecting devices as well as the vending machines of the United States. They have done that and they will continue to do so, and, as the value of rationing points drop through more food becoming available, no doubt an additional number of these rationing tokens will be used by people in the coin-vending machines.

I trust that the Congress will see fit to direct the Office of Price Administration to do that which it promised to do and that is not to issue tokens less than nine-tenths of an inch in diameter. In spite of its promise, it has proceeded without notice to anyone to issue these small 10-cent size tokens.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. The condition to which the gentleman refers brought about an investigation by a Senate committee. Can the gentleman tell the Members of the House what resulted from that investigation?

Mr. HINSHAW. I am not aware of the Senate investigation to which the gentleman from Massachusetts refers. I wish he would take some time and tell us about it.

Mr. BATES of Massachusetts. I did not hear what the result was. I know there was a good deal of complaint and a Senate committee was appointed for the purpose of investigating the complaints that the gentleman is speaking about now.

Mr. HINSHAW. I do know that the Office of Price Administration promised not to issue tokens of this 10-cent size, approximately the same as a dime, then proceeded to do so in spite of all the warning given them by the transit companies and the coin vending-machine manufacturers all over the United States that it would cause havoc with the machinery as well as cause a great deal of loss to the companies. The transit companies have to return in cash money to the conductors on their lines the value represented by tokens that have gone through the coin devices.

Mr. BISHOP. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Illinois.

Mr. BISHOP. I call attention to the fact also that the telephone companies are receiving a great deal of these, thereby suffering great loss.

Mr. HINSHAW. I presume the telephone companies are likewise receiving them, I do not know. I have no word from the telephone companies. But certainly they cause a great deal of damage to the coin vending machines as well as the collecting machines.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment offered by my good friend the gentleman from California [Mr. HINSHAW].

Mr. Chairman, the amendment proposed by the gentleman illustrates something that we can hardly expect to accomplish here in this body. The Congress cannot pass specific rules and regulations about every one of these detailed problems that comes up before the Office of Price Administration or any other administrative agency. This problem which the gentleman from California is attempting to correct by his amendment was brought before our committee. It has caused certain difficulties in several parts of the country. However, Mr. Bowles has stated that his office is doing its very best to iron out these difficulties, and while it sounds like a very simple matter to hit upon the right size of token, as a matter of fact, it is a rather intricate one.

It seems to me that this particular type of situation could best be left to the people to whom we delegate the authority to administer the laws that we pass. I respectfully ask that the Committee vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

Mr. BUSBEY. Mr. Chairman, I desire to be recognized in support of the amendment.

The CHAIRMAN. Debate has been exhausted in support of the amendment.

The question is on the amendment offered by the gentleman from California [Mr. HINSHAW].

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 39, noes 83.

So the amendment was rejected.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. Mr. Chairman, has an agreement been reached that on amendments hereafter offered only 5 minutes shall be taken on each side?

The CHAIRMAN. That is according to the rules of the House.

Mr. HINSHAW. Then the gentleman from Illinois failed to get recognition because he did not move to strike out the last word, is that all?

The CHAIRMAN. Yes; he did not offer an amendment.

The Clerk read as follows:

SEC. 4. Section 201 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other act or by Executive order, shall exercise such powers only through formal written orders, or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: *Provided*, That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge."

Mr. LUTHER A. JOHNSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUTHER A. JOHNSON: Page 13, at the end of line 18, add a new subsection as follows:

"(f) That it is the sense of Congress and shall be the policy of the Administrator and the Office of Price Administration to vest in local boards the widest possible authority in dealing with rationing to individuals and shall use the local boards heretofore established in both the granting and issuance of rationing coupons and certificates to individuals for gasoline, tires, and tubes."

[Mr. LUTHER A. JOHNSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to use this 5 minutes to clarify, if I may, the difference between the two functions of the Office of Price Administration. Of course, we know that as far as price control is concerned, the Office of Price Administration gets its authority under the Price Control Act of 1942 and the Stabilization Act of 1942. But it has another and independent function, and that is the rationing of commodities, which may or may not be connected in any manner whatsoever with price control. The Office of Price Administration gets its authority to administer the rationing program from a directive of the President issued in accordance with the provisions of section 301, paragraph 2, of section 2 (a) of the Second War Powers Act, 56 United States Statutes at Large, page 178, which reads as follows:

Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States shall result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate in the public interest, and to promote the national defense.

Under that the President issues a directive. He designates the Office of Price Administration to administer allocations—rationing, we call it—under paragraph 8 of the same section, which is as follows:

The President may exercise any power, authority, or discretion conferred on him by this subsection (a), through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe.

We will assume that we adopt this amendment and that we restrict the activities of the Price Administrator in respect to rationing. We do not in any manner amend or modify or repeal any of the provisions of the Second War Powers Act, including this paragraph 8 which I have just read. All we do is say to the Price Administrator, "You shall not function as the agent of the President in respect to these particular commodities." Then, of course, all the President has to do is to set up another agency, and the effect of all of these amendments which seek to limit the Price Administrator in the administration of the Second War Powers Act is to compel the President to do that. It might be within the Office of Price Administration and might be called the Office of Allocations and Civilian Supply, or anything else. The same personnel, the same stenographers, the same clerks, the same experts, the same economists can function in both respects. So you are not doing anything by trying to tell the Office of Price Administration that it shall not act in one way or the other in respect to allocations and rationing. You are merely confusing the situation by perhaps compelling the President to transfer the activities which you put a limitation upon here to some other activity of the Government, and you are not preventing any abuses. The only way you can prevent any abuses by the O. P. A. in respect to rationing is to amend the Second War Powers Act. If there is anybody in this House who will offer an amendment to the Second War Powers Act to limit the power of the President in respect to rationing of essential commodities, I am sure the proper committee of the Congress will give it due and timely consideration. But this is not the place to amend the Second War Powers Act.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 2 additional minutes.

Mr. KEAN. I object, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: Page 13, after line 18, insert a new section (a) to amend section 202 of the Emergency Price Control Act of 1942, as amended, by inserting after the word "investigations" in sec. 202 (a) a comma and the words "to conduct such hearings," making subsection (a) read as follows:

"SEC. 202 (a) The Administrator is authorized to make such studies and investigations, to conduct such hearings and to obtain such information as he deems neces-

sary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations, orders, and price schedules thereunder."

Also insert a subsection (b) to further amend section 202 of the Emergency Price Control Act of 1942, as amended, by adding a new subsection (1) to read as follows:

"(1) Any person subpoenaed under this section shall have the right to be represented by counsel and to make a record of such study, hearing, and investigation in which he may be called upon to testify; and, upon his request, such study, hearing, and investigation shall be public."

Mr. SCRIVNER. Mr. Chairman, the entire substance of section 202 will be found on page 16 of the committee report. The full language and texts of the decisions of the District Court of the United States for the Northern District of Illinois, Eastern Division, and the Circuit Court of Appeals for the Seventh Circuit are to be found on pages 5666 and 5667 of the RECORD for June 8.

This amendment was not submitted to the committee because the Circuit Court of Appeals decision was handed down about 10 days ago, and by that time the committee had ceased to hear matters such as this.

The purpose of this amendment is simple. As you read section 202, the Administrator is authorized to subpoena at any place and at any time any person dealing in commodities to bring with him all of his records, there to have this hearing or investigation. The litigation out of which this decision arose when persons subpoenaed did appear in a certain place with their records, and with them was their attorney and a reporter to make a record of the proceedings. The representative of the Office of Price Administration ordered that the hearings be held in private, that these persons could not be represented by counsel, and that no record could be made of the proceedings.

These persons refused to testify under those conditions. The O. P. A. appealed to the district court of Illinois in a proceeding in the nature of contempt to compel them to do so or suffer the consequences. The district court of Illinois, and I think very courageously, said this:

The statute (section 202) under which the Administrator is proceeding. * * * does not say anything about any appointee of the Administrator having the power or powers of a grand jury.

Judge Barnes said further:

We Americans, accustomed as we are to proceedings in accordance with the forms of a system of law handed down to us from England, are distrustful of and fearful of secret proceedings. We are accustomed to have all of our court proceedings, substantially without exception other than proceedings before a grand jury, conducted in the open, in public places, and we dislike and are suspicious of such proceedings conducted otherwise.

Both parties appealed from this decision and the Circuit Court of Appeals said this:

There is nothing in the nature of the proceeding in question here which requires it to be held in public. Neither does the statute require it. * * * In the absence of words in the statute prescribing the manner in which such investigations were to be held,

the Administrator had a right to determine for himself how the investigation was to be conducted and regulated.

In other words, from this decision we see the necessity of spelling out in A B C's exactly what the Administrator can do and what the Administrator cannot do. I will not take the time to go into specific cases, but there have been reports of many abuses in these secret star-chamber proceedings.

The O. P. A. is represented by their counsel, and I feel it is no more than right that the grocers and the butchers, the filling-station operator or any others who are yanked out of their places of business with all their records and haled into un-American star-chamber proceedings should be entitled to be represented by counsel and to take the record in shorthand, if he desires to do so, of the entire proceedings, so that everybody may know what has been said and what has not been said. Then, if he so desires, the hearing can be public. There may be times when the procedure should be private. Maybe the witness does not want trade secrets to be divulged. If that be so, the proceeding may be secret. Certainly if nothing is taking place of which any person is ashamed or is trying to hide, there is no reason why the investigation should not be public.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. VOORHIS of California. What the gentleman has just recited is the substance of his amendment. Is that correct?

Mr. SCRIVNER. That is true. All this amendment does is add, in section 202 (a), the words "to conduct such hearings" and then, under added subsection (1), permit these persons who are so subpoenaed to be accompanied by their attorneys and by a reporter if they desire, to have the hearings taken down at the option of the subpoenaed person. The proceedings may be public for all to hear.

Mr. VOORHIS of California. All of that is at the request of the person subpoenaed?

Mr. SCRIVNER. Yes. The person subpoenaed can ask for that.

Mr. VOORHIS of California. Mr. Chairman, it seems to me the amendment is a reasonable one, and I favor its adoption.

The CHAIRMAN. The time of the gentleman has expired.

[Mr. SPENCE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had hoped that the committee would accept this amendment. There is something repulsive to me about any agency of the Government having the authority to subpoena any citizen into its closed chambers and getting information from him for these purposes, just as there is something repulsive about denying to a man his day in court. The Circuit Court of Appeals of Illinois, I understand, drew a very fine line between an investigation and a hearing. As I understand, in that case the de-

fendant was subpoenaed to bring certain records before the O. P. A. and he appeared there with his reporter and his attorney. They were told they could not sit in this proceeding and that he could not be represented. That he could not be represented by an attorney; he could not have a reporter to take down the hearings. Have in mind that these investigations, which are made by the O. P. A. and become a part of the files of O. P. A., upon protest, filed by the aggrieved person, become a part of the case which may eventually go to the Emergency Court of Appeals and to the Supreme Court of the United States. There might be a very material point raised in these investigations which only a lawyer who knew his client's legal rights and problems could raise and protect.

So I think it is not only material that he be allowed to do so, and that it is just common, simple justice.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KEEFE. May I ask the gentleman what becomes of the constitutional protection to a citizen against self-incrimination if you do not adopt the amendment suggested by the gentleman from Kansas [Mr. SCRIVNER]?

Mr. WOLCOTT. I think there is a provision in the law which says that he shall be warned of his constitutional rights, but that is not the protection which a man needs. He needs legal advice in respect to many other things.

Mr. KEEFE. He shall be warned about his constitutional rights in star-chamber sessions where there is no record kept of the proceedings. If that is not un-American I do not know what is.

Mr. WOLCOTT. In common, plain, everyday English, there is no reason why a man should not be represented by counsel in these investigations.

Mr. REED of New York. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. REED of New York. It is well known to all who have had any experience with Government officials that when they are sent out to investigate they are over-zealous, and their whole aim is to get evidence against the person; not to try to bring out the facts to see whether or not he is innocent or guilty, but to try to make him guilty; to lay that foundation. That is danger. A man should have the right of counsel.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LYNCH. Has this amendment reference only to a person who may be charged by the O. P. A. with violation?

Mr. WOLCOTT. It is before a charge is made. Under section 202 the Administrator is authorized to make such studies and investigations and to obtain such information as he deems necessary and proper to assist him in prescribing any regulation or order under this act. This investigation is in conformity with that, as preliminary to the establishment of a minimum price.

Mr. LYNCH. Has it reference only to a person against whom a charge might

be filed, or does it have reference to testimony of a witness whose testimony might be used against some person?

Mr. WOLCOTT. It does not have to do with either one of those cases. It has to do with cases where the Price Administrator, under his powers has subpoenaed certain information for the use of his office.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I desire to make a statement that I think will clarify this matter. Of course, the committee does not want an American citizen accused of any infraction of the law and not have all his rights guaranteed him under the Constitution. We feel there might be some legal question involved in this matter and we are perfectly willing to accept the amendment. We may work it out in conference if there are any legal objections now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

The amendment was agreed to.

The Clerk read as follows:

Sec. 5. Section 203 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PROCEDURE

"SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

"(b) In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

"(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however*, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section, after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision

against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 240, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent to revise and extend the remarks which I previously made.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SPENCE. Mr. Chairman, I offer an amendment which I send to the desk.

The CHAIRMAN. Permit the Chair to inquire of the gentleman from Kentucky whether he is offering a new section or not. Apparently the amendment proposes a new section. If that should be adopted now it would cut off other amendments to section 5.

Mr. SPENCE. I will withdraw it at this time, Mr. Chairman.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment to section 5.

The Clerk read as follows:

Amendment offered by Mr. Wolcott: On page 15, line 9, after the word "him", insert "Such regulation shall provide that the Board of Review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittee thereof, and shall provide that, upon the request of the protestants, subpoenas shall issue for the appearance of such persons, and the production of documents, or both."

Mr. SPENCE. Mr. Chairman, I wonder if we can agree on the time to close debate on this section and all amendments thereto.

The CHAIRMAN. Allow the Chair to state that according to the Clerk's record the gentleman from Michigan [Mr. HOFFMAN] has five amendments to this section. The gentleman from Kentucky [Mr. SPENCE] has one amendment. The gentleman from Michigan [Mr. WOLCOTT] has one amendment.

Mr. BARDEN and I have an amendment which I have already sent to the desk.

Mr. SMITH of Virginia. I have an amendment to this section, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 5 minutes in support of his amendment.

Mr. WOLCOTT. Mr. Chairman, reference to the language on page 15 will indicate that after protest has been filed

in accordance with subsection (a) of the section, it shall be considered by the Board of Review, consisting of one or more officers or employees of the Office of Price Administration.

All my amendment does is to facilitate the making of the record.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. The committee accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. BARDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: Page 15, lines 4 and 5, following the word "after", in line 4 strike out "September 1, 1944" and insert "The effective date of this mandatory proviso."

Mr. BARDEN. Mr. Chairman, on page 15, beginning in line 2, you will see this language:

Provided, however, That upon the request of the protestant any protest filed in accordance with subsection (a) of this section after September 1, 1944.

My amendment simply dates the right of appeal and hearing from the effective date of this proviso.

I discussed this with the gentleman from Michigan and do not believe I am going too far when I say the gentleman himself did not see any objection to the amendment.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield gladly to the gentleman from Michigan.

Mr. WOLCOTT. I was of the opinion when the gentleman talked to me that the date was an arbitrary one placed in the bill only for the purpose of giving the Office of Price Administration a reasonable opportunity in which to readjust its procedure and revise its rules, regulations, and orders.

Mr. BARDEN. That is right.

Mr. WOLCOTT. I do believe there should be some reasonable time. Whether this is unreasonable or not I am not in position to state.

Mr. BARDEN. I also called it to the attention of the gentleman from Kentucky and discussed it with the attorney who drew the bill.

There may be some merit in what the gentleman from Michigan says, but my suggestion is that my amendment provides the right of appeal, and unless this amendment is adopted—and I hope the committee will accept it—unless this amendment is adopted, you will have certain individuals deprived of rights should they be called in violation prior to September 1. After September 1 they will have certain rights and many rights which those who might be called in before September 1 would not have. So I believe while we are constructing the machine we had better build the brakes along with the engine or not open the jailhouse until we get the courthouse in operation.

I hope the committee will accept this amendment. I do not find any objection from any of the committee members.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. McCORMACK. Mr. Chairman, apparently there seems to be some kind of meeting in the minds as to the justice of an amendment of this kind. The gentleman from North Carolina seemed to agree with the gentleman from Michigan that O. P. A. should have a reasonable period of time in which to readjust itself. Under the gentleman's amendment the provisions of subsection (a) would become effective immediately upon this bill becoming a law.

Mr. BARDEN. May I say to the gentleman from Massachusetts that it would produce this result: As soon as O. P. A. is allowed to proceed the right of the individual would begin to run at the same time. This is necessary, I believe, because of this one illustration I shall call to the attention of the membership: In the tobacco country the problems that will arise will occur between now and September, yet without this amendment we would have no right of recourse to any of the machinery set up, even the machinery set up by the amendment offered by the gentleman from Michigan a moment ago. That would go into effect September 1 but would do no one any good prior to September 1.

Mr. McCORMACK. What I was trying to do was to see if we could reconcile the situation. The gentleman from North Carolina agrees that O. P. A. should have a period of time in which to adjust itself to the new circumstances.

Would the gentleman agree to modifying his amendment to read: "Within 30 days after the effective date?" That would give them an opportunity to adjust themselves.

Mr. BARDEN. I do not think it would take them nearly as long as the gentleman believes to revise their rules and regulations and procedures.

Mr. McCORMACK. I do not know, except it seems reasonable to give them some time. By adopting the language I have suggested "within 30 days" means they could not go beyond 30 days.

Mr. BARDEN. Within 30 days of the effective date. I will accept the modification.

Mr. McCORMACK. I suggest that that modification be made. It seems to me we can iron it out in conference.

Mr. BARDEN. I will agree to the modification.

Will the gentleman yield for me to submit a request to modify my amendment?

Mr. McCORMACK. I yield to the gentleman for that purpose.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent to modify my amendment to strike out the word "after" and insert "within 30 days after the effective date of this mandatory proviso."

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina? (After a pause.) The

Chair hears none. The Clerk will report the amendment as modified.

The Clerk read as follows:

Page 15, line 4, strike out "after September 1, 1944" and insert "within 30 days from the effective date of this mandatory proviso."

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. RAMSPECK having assumed the Chair as Speaker pro tempore, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union reported that that Committee having had under consideration the bill H. R. 4941 to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, had to come to no resolution thereon.

NAVAL APPROPRIATION BILL, 1945

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, with Senate amendments; that the House further insist on its disagreement to the amendments of the Senate Nos. 8 and 9, and agree to the further conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. SHEPPARD]?

There was no objection, and the SPEAKER pro tempore appointed the following conferees on the part of the House: Mr. SHEPPARD, Mr. THOMAS of Texas, Mr. COFFEE, Mr. WHITTEN, Mr. PLUMLEY, Mr. JOHNSON of Indiana, and Mr. PLOESER.

EXTENSION OF REMARKS

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to have inserted in the Appendix of the RECORD a prayer on invasion day by George Z. Keller, of Wilkes-Barre, Pa.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. MURPHY]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. ARNOLD] may have permission to extend his own remarks in the RECORD and to include therein a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. BENNETT]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that

my colleague the gentleman from Michigan [Mr. WOODRUFF] may have permission to extend his own remarks in the RECORD and include therein a report from the labor bureau.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein excerpts from the Clinton Daily Item, and also to include a speech I recently made in my district.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. PHILBIN]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. ROLPH]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two different subjects and to include in connection with each certain excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. SADOWSKI]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in two instances, in one to include a House concurrent resolution from the Legislature of the State of Louisiana in connection with the aluminum plants there, and in the other to include an article which appeared in today's Washington Daily News.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana [Mr. MORRISON]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects, and to include in one an article on farm machinery by Fowler McCormick, and in the other to include a statement from the Little Business Man.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. ROWAN]?

There was no objection.

[The matter referred to appears in the Appendix.]

marks in the RECORD, I include the following article from Washington Close-up for May 1944, issued by the Citizens National Committee of the District of Columbia:

SIX TO ONE IS AVERAGE RATIO OF FEDERAL TO STATE CIVILIAN EMPLOYEES

About 5 percent of the working population of the United States works in the executive branch of the Federal Government, approximately three million people. Ten percent of them are in the Washington, D. C., area, 10 percent are in the State of New

York, 9 percent in California, and the remainder are scattered across the other 46 States.

Some interesting comparisons of the extent and detail of this distribution are available from the figures below, based on Department of Labor statistics as of October 1943, and Department of Commerce figures for State government employment. Broad variations appear. In one State only, West Virginia, State employees exceed Federal, 9,383 to 8,000. Connecticut with 9,704 state employees to 10,700 Federal and New Hampshire with 3,250 State employees to 3,700 Federal are close to even. Preponderance of

Federal employees graduates proportionately to those of States like Florida and Georgia, where the proportion of Federal to State is 12 and 13 to 1, respectively.

Much of this excess is due to the war agencies. Navy yards, arsenals, camps, airfields, shipping centers use large numbers of Federal workers. But with the elimination of all activities of this sort, Federal workers in admittedly nonwar agencies exceed State workers in all but 10 States. The figures include Federal employees within United States continental limits. State figures with symbol (*) are for closest available date:

State	Federal						State	
	Total	War agencies			Post Office Department	All other agencies	Population in 1940	Nonschool employment total
		War Department	Navy Department	Other war agencies				
All areas.....	2,796,900	1,211,100	619,600	186,700	325,400	454,100	136,015,000	454,828*
Washington metropolitan area.....	265,600	50,680	49,600	35,500	8,000	121,900		
Other areas.....	2,531,300	1,160,500	570,000	151,200	317,400	332,200		
Alabama.....	62,700	47,900	200	1,900	3,500	9,200	2,833,000	5,539
Arizona.....	16,700	10,100		600	900	5,100	499,000	2,846
Arkansas*.....	24,300	16,500		1,200	3,000	3,600	1,949,000	4,349
California.....	251,400	113,400	87,500	12,300	18,000	20,200	6,907,000	26,500
Colorado.....	24,500	14,500	100	1,700	2,900	5,300	1,123,000	4,217
Connecticut.....	10,700	1,700	1,800	1,500	3,800	1,900	1,709,000	9,704
Delaware.....	2,500	1,200	200	300	600	200	267,000	1,879
Florida.....	65,700	31,400	23,200	3,400	3,700	4,000	1,897,000	5,447
Georgia.....	69,000	50,200	1,200	3,500	6,600	7,500	3,124,000	5,325
Idaho.....	9,800	2,800	2,000	400	1,100	3,500	525,000	2,600
Illinois.....	118,500	59,100	7,100	8,300	27,700	16,300	7,897,000	23,126
Indiana.....	33,400	14,500	5,700	2,200	7,100	3,900	3,428,000	9,419
Iowa.....	13,500	3,300	200	1,400	5,800	2,800	2,538,000	7,550
Kansas.....	26,600	17,200	100	1,100	4,500	3,700	1,801,000	6,286
Kentucky.....	31,400	17,800	100	1,600	5,400	6,500	2,846,000	8,597
Louisiana.....	37,500	21,000	4,100	2,700	3,800	5,900	2,364,000	11,249
Maine.....	28,800	2,700	21,200	900	2,300	1,700	847,000	5,526
Maryland.....	49,900	22,400	11,400	1,800	3,500	10,800	1,821,000	9,000
Massachusetts.....	121,200	41,300	53,900	5,200	14,100	6,700	4,317,000	13,918
Michigan.....	48,500	24,700	2,200	4,600	10,600	6,400	5,256,000	14,710
Minnesota.....	19,200	2,200	300	2,800	8,900	5,000	2,792,000	10,606
Mississippi.....	25,300	18,400		1,300	2,600	3,000	2,184,000	4,762
Missouri.....	48,600	23,100	800	3,300	12,200	9,200	3,785,000	10,784
Montana.....	8,300	2,600		500	1,400	3,800	559,000	3,650
Nebraska.....	23,800	13,000	2,200	1,000	4,500	3,100	1,316,000	3,642
Nevada.....	4,800	1,200	1,400	200	300	1,700	110,000	952
New Hampshire*.....	3,700	1,100	100	500	1,300	700	492,000	3,250
New Jersey.....	75,500	55,500	5,000	2,900	7,900	4,200	4,160,000	11,834
New Mexico.....	14,900	9,400		400	1,000	4,100	532,000	2,066
New York.....	275,600	89,400	87,400	18,100	49,700	31,000	13,479,000	49,574
North Carolina*.....	43,600	19,900	4,800	2,200	4,600	12,100	3,572,000	11,652
North Dakota.....	4,000			500	1,800	1,700	642,000	2,676
Ohio*.....	108,700	67,900	4,400	8,100	19,000	9,300	6,908,000	19,500
Oklahoma*.....	38,200	25,100	2,900	1,400	4,100	4,700	2,336,000	10,298
Oregon.....	17,400	7,700	600	1,400	2,700	5,000	1,099,000	5,382
Pennsylvania.....	197,700	76,700	74,800	8,900	22,300	15,000	9,900,000	43,407
Rhode Island.....	24,700	2,100	19,800	900	1,400	500	713,000	3,940
South Carolina.....	49,600	15,700	27,700	1,200	2,200	2,800	1,900,000	5,836
South Dakota.....	9,200	4,600		500	1,700	2,400	643,000	2,449
Tennessee.....	42,600	18,900	700	1,900	4,800	16,300	2,916,000	6,310
Texas*.....	141,900	98,300	9,100	7,300	12,300	14,900	6,415,000	19,600
Utah.....	31,800	25,700	1,700	500	1,100	2,800	550,000	2,590
Vermont.....	2,900	300		400	1,100	1,100	359,000	2,130
Virginia*.....	107,800	25,800	66,600	4,300	5,300	5,800	2,678,000	12,966
Washington.....	86,500	33,700	36,400	2,200	4,400	9,800	1,736,000	8,962
West Virginia.....	8,000	1,700	100	1,100	3,400	1,700	1,902,000	9,383
Wisconsin.....	18,800	5,000	1,000	2,000	5,800	5,000	3,138,000	7,509
Wyoming.....	4,600	1,800		300	700	1,800	251,000	1,301
Undistributed.....	47,000			18,500		28,500		

Oil Is a Vital Need

SPEECH
OF

HON. FRITZ G. LANHAM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, from June 30,

1944, to June 30, 1945, and for other purposes.

Mr. LANHAM. Mr. Chairman—
Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. DISNEY. Will the gentleman call the attention of the House to the fact that subsidies may save some old wells but will not stimulate production or bring in new wells?

Mr. LANHAM. I am sure we all appreciate the accuracy of the gentleman's statement. As someone has rather appropriately said, a subsidy may inspire

drilling for the subsidy rather than drilling for oil.

Mr. Chairman, any informed person knows that our oil situation is critical. We realized this in this body when by a very large majority we passed several months ago a bill to bring about the very result contemplated by this amendment. Unfortunately, that bill has since that time reposed elsewhere without receiving further legislative attention.

On that former occasion, when this subject was before us for action, I pointed out that the best evidence we had been able to procure indicated very clearly that our production of petroleum

now in sight would last for only 13 or 14 years. That statement was not disputed. Under these circumstances, and following the lack of action elsewhere on the bill the House of Representatives had passed to relieve our petroleum situation, resort was had to the legislative expedient of an act to get synthetic oil from coal and oil shale, and an appropriation of \$30,000,000 was authorized for that purpose. Now let us assume that this synthetic program will add speedily and satisfactorily to our oil supply. Of course, we know that it cannot do this, for it was definitely established in the debate on that matter that several years would be required for production of any particular consequence. But, assuming that it will give prompt and effective relief, let me ask you to contemplate what the cost of such synthetic petroleum would be. We all know that necessarily it will be very much greater from the standpoint of price than any price increase which could possibly arise from granting 35 cents a barrel more for crude oil. In the latter case it has been clearly shown that any price increase would be negligible.

To whom would this additional 35 cents a barrel go? It would go to the oil producers of this country and to the farmers on whose lands petroleum would be found. They have no byproducts to sell from which to recoup any losses of exploration. Their profit or loss is reflected in the price of crude oil. Most of our oil is produced down in the southern part of the United States, but that section has no chance of any fair prospect of compensatory return under the present ramifications of the petroleum industry in its various phases. The producers and the farmers must rely upon the price of crude oil, and it must be remembered that they are the ones upon whom we must depend for additional supplies of this most vital need.

The independents have been the pioneers in the oil industry. On them falls most of the burden of the wildcatting to discover new fields. Bear in mind that they do this without 1 cent of expense to the Government. They bear their own losses, but what they can procure by way of production is available for both our war and peace purposes.

It is generally conceded by those in a position to know that by the drilling of much deeper wells we could reach a great store of petroleum still untapped. But exploration of this character involves great cost. From the financial angle it is a hazardous undertaking. But there are those willing so to drill if they can be given any reasonable assurance that there would be a possibility of a fair return for those operations which proved successful. Remember that they are the hope of getting an adequate oil supply. This amendment is simply to encourage them to bend their energies to that end. Oil is the blood which keeps alive and operating our planes and our tanks, as well as our implements of peace. It comes from the veins of the earth. Justice to our soldiers, our farmers, and our industries requires that we make it possible for those veins of the earth to do their part in aiding our boys on the vari-

ous fronts to carry on successfully on the land, on the sea, and in the air, in combating the powers that menace our liberty. For the war we wage and for the peace to follow petroleum is an outstanding necessity. It is to do what we can to meet this need that this amendment is offered. By all means it should be adopted.

Contribution of Polish-Americans to the War Effort

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from a speech recently made by me:

Speaking at the dedication of the honor roll at the Polish Hall, Green Street, Clinton, Mass., tonight, Congressman PHILIP J. PHILBIN of Clinton, vehemently attacked the organized communistic minority, which, he asserted, was carrying out well-laid plans to undermine basic American institutions while the war is on and the boys are away.

Praising the great contribution of Polish-Americans to our war effort, and the upbuilding of the Nation and pledging his continued support of efforts to preserve Poland from both Nazi and Russian domination, the Clinton Congressman warned that unless the American people, acting as a whole and without regard to party, class, or racial distinction, make a determined drive to smash the present and ever-widening influence of avowed radicals in the Government and our industrial and social life, the American form of government will, in the not too distant future, be uprooted and replaced with Marxian Communistic bureaucracy, similar to that which prevails in Russia.

Congressman PHILBIN said in part: "Commingled tonight with profoundest feelings of sympathy for the parents and families of those of this brave band who have paid the supreme sacrifice and whom we here honor, are sentiments of heartfelt pride and gratitude for the valor and heroism of our noble Polish-American sons who are serving our country in this greatest crisis. Their efforts and their sacrifices are but additional evidence of the devotion and loyalty that has marked the history of Polish-Americans since the time they first set foot upon our shores.

We can never give adequate acknowledgment to the contributions of this group to America, her upbuilding and welfare, nor to the unexcelled patriotism of these noble sons.

But we can and must make sure that the great and stirring sacrifices of these boys shall not be in vain. We must strive to effect self-determination for all nations, great and small, and the very early and certain liberation of valiant little Poland, whose centuries of struggles for liberty has been an inspiration to the whole world, above all, to the freedom-loving people of America. I pledge my continued and utmost efforts toward these ends in the Congress of the United States.

Another subject should command our attention on this sacred occasion, namely, the ominous spread of communism throughout the world, and more particularly in our own country. Most of us never thought we would "see it happen here," but the fact is that

strongly organized, well-financed, skillfully directed Marxian communism has reared its head in our own congressional district. Hiding behind the war effort, taking advantage of the concentration of our people on the course of our arms and the well-being of our boys fighting on global fronts, these dangerous groups, once working surreptitiously, have now brazenly come out in the open and are seeking to dominate in behalf of the worldwide Red colossus of communism our industrial and social, our business and political life.

I warn you my friends, tonight, as we gather here with bowed heads to laud and pray for our brave young war heroes, both the living and the dead, that unless the American people shall soon awaken to this creeping, sinister menace which has crawled into our midst, and smash once and for all the power and influence of radical schemers and crackpots in government, the industrial and the political affairs of our Nation, the free America that we have known in the past, all our liberties and most cherished institutions will be undermined and replaced with a minority-organized radical bureaucracy, modeled after the fashion of Russia which will sound the death knell of human freedom in this country.

Having firm faith in the ultimate wisdom and soundness of our citizens, I have supreme confidence that the American people will not let these heroes down while they are away in distant lands engaged in foreign wars. As true believers in Americanism—the greatest ism of all times—we must and will break the power of organized communism in this district and in the Nation, whatever banner under which it masquerades, and thus recapture and forever sustain our rights as free men and women under the Constitution of the United States."

Let Us Have Price Control Without Violating the Rights of Any Citizen

SPEECH

OF

HON. JOHN JENNINGS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. JENNINGS. Mr. Chairman, I hope that for a few minutes I may have the ear of this House. I am about to sow some good seed, and I do not want them to fall upon stony ground.

At the outset let us get our bearings. This amendment improves the measure we are considering. The act which we are considering empowers the Administrator and his duly authorized subordinates to make necessary rules, regulations, and orders to carry out the purposes of the act.

This House is a coordinate branch of the Congress. Under our scheme of government Congress has the sole power to legislate. In the exercise of that power we enacted the Price Control Act. I voted in favor of the passage of this law. I favor continued price control. What I say now is not in disparagement of the able and distinguished members of the

Banking and Currency Committee of this House. The bill they have reported is an improvement on the original act.

We are now in the Committee of the Whole House in the discharge of our legislative duty in considering this measure and it is our right and duty to make all possible improvements in the act and in the method prescribed for its enforcement.

The trouble that has arisen with respect to the enforcement of this act is directly traceable to the misconduct of those who have had its administration in their hands. Now that we know the imperfections of the law, the abuses that have characterized its interpretation and its enforcement, the injustices suffered by our citizens at the hands of those who have usurped power under this law, it is our duty to protect the people of this country against further misinterpretation and maladministration of this law.

As a member of a committee of this House I have heard men and women from all walks of life give sworn testimony of what has been done to them by O. P. A. officials. For more than 14 months good citizens from every section of this country have journeyed to Washington and testified to the outrages perpetrated on them by bureaucrats. They have come here and petitioned this Congress for relief, because the O. P. A. has deprived them of their rights under the law, has shut the doors of the courts of the country in their faces and trampled their rights under foot in kangaroo courts where O. P. A. officials are the accuser, the prosecutor, the judge, the jury, and the executioner.

From my study, practice, and enforcement of the law, I have always looked upon the Constitution of this country as a solemn contract between all the people on the one hand and each individual citizen on the other, that the combined power of all the people on the one hand through our Government—the Congress—the Executive—and the courts—will forever stand ready to protect the life, liberty, and property of the citizen. The men who fashioned our Constitution were governmental experts. They worked in the light of the world's experience. They were familiar with every governmental experiment from the dawn of history to their day.

They had just won a war for independence against a Government which had trampled their rights under its feet. They knew that after a people establish a Government to protect its citizens against foreign aggression and against the fraud and violence of the lawless members of society, the greatest menace to the citizen is the abuse of power by his own government. And, therefore, the founding fathers undertook to cover the citizen all over with the armor of the law's protection.

This Congress, therefore, at all times is clothed with the right and charged with the duty to alter, reform and amend a statute that has been used to disturb the peace of the people, to assail their safety and to destroy their happiness.

For 150 years, this cherished support of human liberty, has glorified the constitution of my State:

That Government being instituted for the common benefit, the doctrine of nonresistance against arbitrary power or oppression is absurd, slavish, and destructive of the good and happiness of mankind.

Under the stimulus of this inspiring declaration can any of us afford to condone the arbitrary oppression of our people by the bureaucrats in the O. P. A.

In its declaration of the rights of the people of Tennessee our constitution declares:

That no man shall be taken or imprisoned or dis seized of his freehold, liberties, or privileges, or in any manner destroyed or deprived of his life, liberty, or property but by the judgment of his peers and the law of the land.

It is universally held that the words "liberty" and "property" include the right to make contracts. This declaration of the constitution of my State, lifted as it is from the Magna Carta, is expressed in the fifth amendment to the Federal Constitution in these words:

No person shall be deprived of life, liberty, or property without due process of law.

As before stated, in the assertion of their right of petition, in an effort to protect their right to enjoy their property rights, their right to contract, their right to earn a living, their right to eat, to have clothing and shelter, thousands of citizens from all walks of life, from all over this Nation, have complained to the committee of which I am a member and have complained to their representatives in this body.

The hearings held by us, on the sworn testimony of witnesses, reveal many shocking instances of oppression.

Widows whose meager source of a living left them by their deceased husbands was rendered valueless, working people whose life savings for their old age were rendered worthless by rulings of the rent-control officials of O. P. A. came before us. Business, big and little, oppressed, harassed, hamstrung by the rulings of O. P. A. and its countless bureaucrats—home owners who were no longer master of their own homes—working people along with employers—all have come to us with their complaints. We heard them as it was our duty to do.

And we heard the officials against whom these complaints were made. In some instances adjustments were voluntarily made to correct the evils complained of. In other cases the offending officials were defiant and wholly unsympathetic toward the people who were suffering at their hands.

We heard the testimony of a high-placed official in the department of rent control who had written a book in which he derided and undertook to undermine the Constitution of this country because, forsooth, he said it was written by men who owned property and who were undertaking to protect property rights rather than to protect the rights of the people, and he looked forward to the day when the work of the men who fashioned and built this the greatest free Nation in the world would be undone. We heard slick young radicals who had cold-bloodedly told the people whose business they were wrecking: "You should produce for use—not for profit."

From such as these I could pick as motley a crew as ever cut a throat or scuttled a ship. This observation, of course, is not meant to apply to the thousands of conscientious, patriotic men and women who are undertaking, in a spirit of fairness, to administer this act.

I assert, however, without the fear of successful contradiction that all these rules, regulations, price ceilings, sanctions, and penalties that have harassed and tormented our people have been promulgated and enforced in contravention both of the letter and spirit of this law.

I wish to make it clear by the amendment I have offered, that when the Congress legislates it means exactly what it says, a distinguished member of the Supreme Court to the contrary notwithstanding. Recently, Mr. Justice Frankfurter, in one of his opinions, said:

The notion that because the words of a statute are plain, its meaning also is plain, is merely pernicious oversimplification.

Those of us who believe that language is used for the purpose of conveying thought, and not to conceal it, that intellectual honesty is yet a virtue, challenge this declared purpose to destroy the plain and evident meaning and intention of laws passed by this Congress.

The touchstone for ascertaining the meaning of an act of Congress is the intention of Congress as disclosed by the words of the act, taken in their ordinary and accepted meaning. Of late it has become fashionable to twist and distort the language and misinterpret the meaning of acts of Congress. Those who thus undertake to bypass and sabotage the laws of this body worm in and worm out and leave the people all in doubt whether the fellow who made the tracks was going in or backing out.

Let us get right down to what we are trying to do here. We are undertaking to say that neither the Administrator nor anybody acting under him may make any price ceiling or issue any directive or prescribe or inflict any penalty that is not authorized by the terms of this law as written and enacted by this Congress. We also give the citizen the same right to go into a United States district court that the law gives the officials of the O. P. A. In the administration of this act the citizens of this country have been made to realize and they are grasping the fearful truth of what President Roosevelt said in 1936, and I now quote his words:

In 34 months we have built up new instruments of public power. In the hands of the people's Government, this power is wholesome and proper. In the hands of political puppets of an economic autocracy, such power would provide shackles for the liberties of the people.

Then we are saying that if a man undertakes to abide by one of the interpretations or one of the regulations that has been made by somebody in the O. P. A. somewhere along the line, that if he honestly makes a mistake, you cannot punish him for it unless that interpretation has been abolished, if it is general, by publication in the Federal Register. And if it is specific, by notice to him. Hear me for a minute. Here

is a Federal agency with thousands of employees. Somebody in that agency issues a directive. That directive or that order ought to be plain. It should speak for itself. But ordinarily it is as clear as mud. Then somebody the next day issues an interpretation of the directive. When you read that it is thousands of words long and you can elicit its meaning just as easily as you can hatch chickens from scrambled eggs. Then a little later somebody issues an elucidation of the interpretation. Then a little later somebody makes an explanation of the elucidation. It is confusion worse confounded. Let me make this law so plain that a wayfaring man though a fool cannot err therein. Let us get in the driver's seat and hold the reins in our own hands. Let us say to these bureaucrats, "You cannot violate the lawful rights of the people of this country any longer. You are their servants and not their masters." This we can accomplish by my amendment. And the law will be made plain in its meaning.

Six-Year Limit Urged for Congress

EXTENSION OF REMARKS

OF

HON. WAT ARNOLD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. ARNOLD. Mr. Speaker, unanimous consent having been granted me by the House of Representatives, I extend in the CONGRESSIONAL RECORD the following article which appeared in the Washington Star, Sunday, June 11, 1944. I respectfully submit the article to attention of the Congress and the country:

SIX-YEAR LIMIT URGED FOR CONGRESS—REPRESENTATIVE WAT ARNOLD CITES BENEFITS HE SEES IN PROPOSAL HE ADVANCES
(By Gould Lincoln)

WAT ARNOLD, of Missouri, is a rara avis. A Representative of the First Missouri Congressional District, he is seeking to put a 6-year limitation upon tenure of office, not only of the President and Vice President, but also of Members of the Senate and House.

"I am," said Mr. ARNOLD, "a political heretic. The dubious distinction is perhaps more real than apparent, for the subject of my heresy is one which must be trod upon lightly by my congressional colleagues, for fear of public reaction.

"I favor a limitation of the terms of office of all elected representatives of the people of the United States of America, and such an attitude seems to border closely upon betrayal of the sacred trust of political officeholding."

The Missourian, who holds these unusual views about the number of terms Senator and Representative shall have—he limits a Senator to one term of 6 years and a Member of the House to three terms of 2 years each—is a successful businessman in Kirksville, a small city of 10,000 population in the very heart of the district which he represents. For 40 years he has operated a lumber business there.

PROPOSES AMENDMENT

Mr. ARNOLD has introduced in the House a joint resolution proposing an amendment to the Constitution to carry out his tenure of office ideas. It is before the House Judiciary Committee. A Republican, Mr. ARNOLD plans to go before the resolutions committee of the Republican National Convention when it gets down to work on the G. O. P. platform in Chicago in the next week or two.

Discussing further his hobby, tenure of office, Mr. ARNOLD said: "Perhaps my background and admitted political innocence as a freshman Member of Congress are partially responsible for my unorthodox views. I am happy to plead guilty to the charge of viewing the problems of the National Legislature from the standpoint of a small businessman, from a small town in the Middle West, and I am equally eager to admit that I am a political neophyte, for I am now serving my first term of public office of any description or kind as a Member of the Seventy-eighth Congress.

"However, I am not in the least convinced that my views are rendered the less intelligent or progressive by reason of the nature of their conception. Rather do I feel that a fresh approach to the whole structure of our political economy is the crying need of the moment.

"I find that I am, by virtue of my election, enrolled as a Member of the strongest pseudo union in the world. The rights of protective employment, seniority, and the innumerable privileges of office are mine to use as I will; and the payment of my dues, in the form of periodic reelection by my constituents, promises to become increasingly painless with the passing years. By careful tending of political fences, I find that representation is expected to blossom from the promising bud of popular service to the full flower of professionalism in the art of purveying legislation by the years."

SENSE OF PERSPECTIVE LESSENS

"To me, such a metamorphosis is a crime committed in the name of democracy. No American should aspire to a career as a President, or as a Congressman. Industries, institutions, and ideas change too swiftly. Overlong exposure to the impersonal glare of the public spotlight focused upon Capitol Hill causes the sense of perspective which guides a public servant to diminish or even disappear entirely."

Mr. ARNOLD has another distinction. He is a Republican in a district which has gone Democratic except in the Hoover landslide of 1928, for three generations. He is a candidate for reelection this year and has no opposition for the nomination. Two years ago he won the Republican nomination against two opponents. Then, without making a speech during the entire campaign, he took the veteran former Representative Romjue to town. He defeated the Democrat who had represented the district for a score of years by 8,300 votes. Since he has been in the House, Mr. ARNOLD has confined himself to being on the job and voting. He has made no speeches. During the coming campaign, however, he does intend to make a few addresses in his district.

"A public officer, in my opinion," said Mr. ARNOLD, continuing his comments, "should be so restricted in his tenure of office that his efforts as a legislator would not have the opportunity to become completely unhinged from everyday realities, as calculated from the standpoint of John Q. Public.

"His period of service to his country should be spent in complete freedom from the aggravating responsibility of continuously building toward reelection. A Congressman should serve his term of office and then return to his district to see if he could earn a decent moral living under the laws which he had

been instrumental in enacting. No Congressman who cannot demonstrate his usefulness to his constituents in a practical enough way to justify his continuance in office for three terms should expect to be returned to Congress indefinitely. Such a down-to-earth approach to the problem should be a forever effective bar to the overloading of the statute books with legislation as ill-conceived as its effect upon a red tape-ensnared citizenry."

WOULD INFUSE NEW BLOOD

I asked Mr. ARNOLD what would be the effect and the benefit from his plan of limiting tenure of office should it be adopted. He replied:

"The infusion of new blood into the Nation's Legislature, which would be the direct result of limiting the eligibility of a public servant to reelection, should produce the immediate benefit of breaking up congressional and administrative cliques—those instruments of perversion whereby the popular mandate and the true functions of the republican form of government are so viciously inverted.

"No legislator needs to be reminded of the archaic procedure by which standing committee chairmanships pass to the senior member in point of service. There is no qualification, other than endurance, which a Congressman need possess to inherit the tremendous burden of power and responsibility inherent in the administration of committee activities.

"Such practices will cease, to the ultimate good of the Nation, if my resolution is enacted into law. This resolution, which I introduced in the House on October 14, 1943, provides for a 6-year limitation of the office of the President, Vice President, Senators, and Members of the House. The Representatives may, if my bill is enacted into law, have three terms of 2 years each so that the idea of the framers of the Constitution can still be carried out, that of a change in the House every 2 years.

"It was not my intention, in introducing the bill, to question the wisdom of the framers of the Constitution. The stipulated 2-year term of office will stand, but with the added qualification that no more than three such terms may be served by any one person."

Mr. ARNOLD said that another benefit, if his plan became law, "will be to sponsor a much more progressive approach to the entire legislative program.

"It should foster the growth of such sorely needed innovations as the staffing of all full committees with legislative experts whose duty it would be to analyze critically all projected legislation. The aid of such impartial advisers would tend to increase the effectiveness of committee functions tremendously. No legislator under existing circumstances, can do full justice to every official decision which he is forced to make. His public life is so full of extraneous matters, mainly in the interest of reelection, that he has scant time to explore the extensive ramifications of the State affairs which come within his purview."

BUREAUCRACY IN LEGISLATURE

The Missouri Representative at this point advanced a new idea—that bureaucracy may exist in the legislative as well as in the executive. He said:

"It seemed to me, in framing the resolution, that the manifest evils of bureaucracy are as well entrenched in the legislative branch of government as they are in executive. I could see no reason for limiting the tenure of the one department and yet allowing the other to remain a snug harbor for career politicians and the domineering cliques which impose their selfish will upon the Congress and the country at large.

"It is a humiliating commentary upon the native intelligence of America to consider that we must have a ruling class of legislators. This Nation was born to demonstrate the antiquity and inadequacy of monarchy as a form of government for free men. Yet our democratic process, by its occasionally overweening liberality, has spawned a school of chosen rulers who acquire their right to regulate the conduct of their peers by a system as morally unwholesome as the 'divine rights of kings' theory.

"There is no elected representative of this people who is so superior intellectually or so faultlessly correct in his judgments as to deserve an exclusive monopoly upon the right of government. When a servant of the public comes to regard himself as an indispensable asset to his constituency, then the warning signal of fascism is flying. When the notion runs rampant that the people serve the state—in the form of its elected leaders—then the time has come for a more diligent exercise of the right of independent choice and self-determination by the individual citizen. It is by virtue of these functions alone that our Nation remains unsalable in strength and stability."

CITES AGE OF LEADERS

Mr. ARNOLD pointed out that long tenure of office inevitably resulted in the holding of important positions by men of advanced age. In this connection he said:

"These revealing facts were published recently. The ages of committee chairmen of Senate Committees on Appropriations, Agriculture, Post Offices, Privileges and Elections, Commerce, Reclamation, and Naval Affairs are 86, 80, 75, 77, and 71, respectively. In the House the chairman of the important Ways and Means Committee is 80; Foreign Affairs, 74; Rules, 78; Rivers and Harbors, 83.

"The public functions of government should be given the benefit of mature wisdom in their administrations. There is, however, no reason why Washington should become the happy hunting ground for senility.

"Contrast the ages of these present Members of Congress with those of the men who served in our Republic's first administration and the reasons for the all-too-frequent ineptitude of our current Congress and Cabinet will be plainly revealed. Thomas Jefferson was 46; Alexander Hamilton, 32; Henry Knox, 29; Samuel Osgood, 41; Edmond Randolph, 36.

"The fruitful years of a legislator's public life too often becomes the laurel wreath of acclaim upon which he pins a monotonous sequence of public acts. Gradually, as term succeeds term, the affairs of the Congressman's district become more remote to him. He becomes a part of the Washington scene. The details of organization and maintenance of the machinery of election are left to his henchmen back home. To all intents and purposes, he becomes a Capitolite in fact, and the State or Territory which granted him his seat continues to be his home and center of interest only as necessity and convenience dictate."

FEARS PROLONGED STAY

"The exigencies of war make it imperative that the Congress remain in almost continuous session. Until the moment of victory comes, and well into the period of reconstruction following the conflict, it will be necessary to follow the same legislative schedule in the interest of the Nation's welfare.

"Naturally, such a condition tends to expand tremendously the dangerous policy of increased centralization of government in Washington. The issue of State's rights may become irrevocably lost in the complex maze of bureaucracy and government by directive, unless a substantial bulwark is established against further encroachment.

"To guarantee a regular infusion of new blood into the ranks of Congress would provide an excellent means of anticentralization control."

The fact that many Members of Congress after they have been retired remain in Washington and open offices here brought from Mr. Arnold the following comment:

"The shores of the pond of Washington society are littered with an accumulation of humanity deposited there by reason of the presence of public servants in various stages of activity—mostly defunct. Like the college football star who loves to play football and hates to quit his playing and go to work, they are victims of the system which produces them. Once they have gotten a taste of the undeniable glamor which attends the position of an elected official of the United States Government, they are forevermore grandstand players. Their sense of value becomes distorted. They lose interest in their former pursuits as a rule, and willingly adopt the profession of staying in Washington."

WOULD LIMIT NEPOTISM

"Congestion in the metropolitan area has passed the point of being merely humorous. It has become a civic necessity to relieve the pressure wherever possible, and there could be no better place to commence than in the ranks of congressional entourage whose official status has been liquidated."

A limitation of office tenure, Mr. ARNOLD contended, would have the effect of limiting nepotism in Washington.

"Despite the unfavorable publicity which has always attended the practice," Mr. ARNOLD said, "nepotism flourishes in official Washington, particularly on Capitol Hill. To limit the tenure of office of public servants would force healthful purgation of the process of hanging an assortment of relatives on the public pay roll. If such political et ceteras were placed on notice that they could expect no more than 6 years at the most as beneficiaries of the United States Treasury, it is certain that there would be much less enthusiasm displayed by them for the plums of patronage which are the present just due of every Congressman."

Referring to the crisis through which the Nation is passing, Mr. ARNOLD continued: "No one will attempt to minimize the terrible urgency of the tasks facing the Congress today. As the physical strife of battle ceases, the moral and spiritual strife of the search for a just peace will begin.

TWO HUNDRED AND NINETY-THREE LAWYERS IN CONGRESS

"It is a time when the voice of the people—all of the people—must be heard. It is not an occasion for a lawyer's convention, of whom there are 57 in the Senate and 236 in the House; nor should it be the occasion for a private council of career politicians. We must have as broad as possible, a cross-section of American opinion in the solution of our problem. We shall not have it unless and until we take steps to introduce into the legislature a new and politically untrammelled group of elected representatives; men who will be solely dedicated to the task of impersonal judgment and the enacting of legislation with neither fear nor favor designed to benefit the Nation as a whole.

"So long as there is no restriction, however, upon tenure of office, there will be an unabated continuation of all the old evils. The aggravating political conspiracies and boondoggling practices will continue to plague the Nation. The ancient compromise between electoral sin and saintliness will rule, as it always has.

"An adult nation deserves something better than these immature modes of conduct. The age of idealism in political affairs is upon us. To demonstrate our worthiness to act as a leader in the world community to come, we should hasten to eradicate some of the ugly stains which mar the perfection of our fundamental concept of government of, by, and for the people."

Extension of Emergency Price Control Act of 1942

SPEECH
OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. DIRKSEN. Mr. Chairman, let me address a word or two to those who come from the corn and hog empire of the country. A very peculiar and a very distressing condition exists there at this very moment which I can best illustrate by taking the case of a farmer who starts from home in the evening or in the early morning with a truckload of hogs. He arrives at the stockyards and finds that it is so filled with livestock that there is little or no opportunity for his own hogs to be accommodated and accepted without undue delay.

That is to say that a glut has developed in many of the markets, and these markets do not have the capacity for handling all livestock arrivals.

It is entirely possible that the stockyards could accommodate normal shipments of hogs but if efforts are made to induce heavy marketings a glutted market results and then several things happen against which loud and vehement protest is presently made.

The farmer can take his hogs back home at considerable time and expense, but even if this were practicable, he is confronted with a very acute feed shortage, and if he must continue to feed from an extremely short corn supply he not only diminishes the available corn for industrial war uses but also runs into the chance of having carried these hogs on feed until they exceed support-price weights and then he will be automatically penalized by a reduction in price.

If the hogs were left at the market and must remain for several days before they are sold they lose weight, some of them die or may die, and other forces of deterioration set in before they are finally sold, and the producer is thereby the loser.

Now, it seems that if efforts are being made to induce abnormal marketings of hogs by persons who are interested in a lower price or if an advantage is taken of the glutted-market condition, it would be easy enough no matter how reluctant the farmer may be to persuade him to accept lower prices rather than wait at the yards for several days and experience a deterioration in the weight and condition of his hogs, to accept a lower price, and I am informed that this is the condition which prevails at the present time. Manifestly this is taking advantage of a competitive situation, which finally results in payment to the farmer

of a price below that which the Congress intended he should have.

I have not often seen the farm leaders in our area become vehement in spirit, but they are in that frame of mind just now because of this distressed condition which prevails. In recent days I have received telephone calls bringing this matter to my attention and pointing out the huge numbers of hogs which have reached the many markets in Illinois only aggravate the glutted condition and thereby cause widespread losses to large numbers of farm producers.

The amendment offered by the gentleman from Texas while it may be faulty in language contains the right approach for bringing about a remedy for this condition and if something is lacking in the language, it can be cured in conference.

This amendment says in effect that before the subsidy which is now authorized can be paid to a processor, he must submit satisfactory evidence that he has paid to the producer a price which is not below the price standards which were established in the Price Control Act.

You will recall that these standards are either parity or the price which prevailed between January and September of 1942, whichever of the two may be the highest. This is the price which Congress expressly stated should be paid to the producer and the pending amendment seeks to reinforce that declaration and to make certain that such price will be paid.

The point has been raised that this amendment offers administrative difficulties. I believe it can be modified in conference to meet such difficulties if there are any and to meet any situation where hogs, cattle, or other commodities may be sold to a commission man or other intervening agency before they reach the first processors. Surely it should not be difficult to set up a requirement in the form of a certificate to be signed by all handlers, by the farmer and the processor whereby the assurance can be given that the price required by the act of 1942 has been paid to the producer.

To do other than this would mean that the subsidies which are now being paid are being expended out of public funds without achieving the objective which Congress had in mind. This to me appears fair. It appears free from undue administrative difficulty and is in the interest of carrying out the intent of Congress.

Mr. PLOESER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. PLOESER. The gentleman is not quite correct. The O. P. A. is penalizing the purchaser of those hogs, the packer, if he pays below the support price. It is not true that he gets the same subsidy in either case. If he goes below the support price, they penalize him on the subsidy, thereby forcing him into a squeeze no matter which way he goes. I think that is the main trouble.

Mr. DIRKSEN. The squeeze on the little processor which the gentleman from Missouri has in mind is, in my judgment, an entirely different problem. What is being sought in the pending

amendment is merely to carry out the expressed intent of Congress as set forth in the act of 1942. Let us assume that the processor might be penalized by a reduction in his subsidy. The fact remains that this penalty would not be imposed unless it were first established that he had failed to pay the price required under the terms of the Price Control Act. The amendment is, therefore, in the nature of a reinforcement of the administration of the act and requires satisfactory evidence that the terms of the act have been carried out.

Mr. PLOESER. The gentleman must remember that this applies to beef as well as hogs.

Mr. DIRKSEN. This is exactly so.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Illinois.

Mr. ARENDS. The farmer is not only caught in this squeeze, but the fact is he does not want this pork because he has no corn to feed, and he cannot buy any.

Mr. DIRKSEN. My colleague from Illinois is exactly correct. The membership will remember that in recent months the Commodity Credit Corporation froze all movements of corn through country elevators because of the acute shortage of corn for industrial purposes. Many of the corn processors have been shut down for lack of corn and the Commodity Credit Corporation simply froze all deliveries to make certain that corn would be procured for this purpose. Under this arrangement it became necessary to issue purchase certificates to farmers having livestock so that they might procure corn for feed. The difficulty here, however, is that a certificate is of little or no value if the corn is not available for purchase and, in consequence, many farmers find themselves in a most acute position having hogs on hand for which corn is required and having a certificate in the pocket for the purchase of corn only to be confronted with the condition that no corn can be had. It is obvious, therefore, that the farmer is in a squeeze. His hogs must go to market if corn is not available, and if market conditions are such that he cannot obtain the price that Congress intended, he becomes the victim of a pincers movement with the Government on one hand and the markets on the other.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. VOORHIS of California. Is it not true, as to the enforcement of a provision such as this amendment, that a great deal of help might be expected from the farmers themselves?

Mr. DIRKSEN. This is quite right. If they are fully acquainted with their rights under the statute, they will do a good job in seeing that those rights are protected.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. ROWE. I think this question ought to be cleared up, that it gives the

producer protection only to the amount of the subsidy; in other words, if the packer can buy at a certain price, and receive a greater amount than the subsidy, then the producer is still at a disadvantage, is he not?

Mr. DIRKSEN. Perhaps so! I have no doubt that if the farmer producers to whom Congress gave a solemn assurance in the act of 1942 that they should receive not less than the price provided in the formula in which we wrote into the 1942 act are provided with an administrative weapon in the form of a showing by the processor that this amount has been paid, every farmer will take it on himself to see that that assurance in the statute is carried out.

I believe, therefore, that the amendment has genuine merit and that whatever difficulties of language and phraseology may arise can be cured in conference at the right time.

D-Day Statement of R. J. Thomas, President of the United Automobile Workers, C. I. O.

EXTENSION OF REMARKS OF

HON. GEORGE G. SADOWSKI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. SADOWSKI. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement of Mr. R. J. Thomas, president of the U. A. W.-C. I. O., addressed on June 6, 1944, to the union's members employed in war plants:

R. J. Thomas, president of the U. A. W.-C. I. O., today issued the following statement addressed to the union's 1,200,000 employers employed in war plants:

"Our 'negotiations' in Europe have entered their final stage. It is the kind of 'negotiation' that is being carried on with cannon and machine gun, with naval batteries and with bombers. General Eisenhower is our chief negotiator.

"For years before 1939 the forces of freedom tried to negotiate peacefully with persuasion. The Nazis and Fascists could not be persuaded. They preferred the force of arms. Taking peace-loving peoples unaware, they won the first rounds in the battle.

"Today the tide has turned. The negotiators of the United Nations have carried the war into Hitler's front yard. Before long they will be giving Germany a bitter taste of warfare on their home grounds.

"Union men and women will understand when I say that General Eisenhower is our chief spokesman, the general staff of the United Nations is our top negotiating committee, and the millions of men in allied uniforms our rank and file.

"We in the war plants of the Nation are the second formations of the rank and file who are today invading the European continent. We must apply ourselves as never before to the tasks of producing weapons of warfare. Every man, every woman; every minute of manpower counts. Every shell and bullet we turn out today is scheduled for delivery and explosion in the heart of nazidom.

Would you believe that any management would employ women who go into rest rooms and deliberately pick up newspapers and wet them and drop them all dripping and mushy into refuse cans so nobody will be able to read them?

NINETY-NINE PERCENT

Well, I wouldn't have believed any of this until I came to Detroit and found it to be true.

Over 99 percent of U. A. W. members don't believe in strikes in wartime and don't strike in wartime—because the records show that over 99 percent of U. A. W. man-hours have been worked. And certainly 99 percent of managements in the United States of America do not believe in deliberately depriving the workers of a few simple and humane comforts.

As Donald Nelson suggested, it's about time a spokesman for management in Detroit came out flatfootedly and called a halt to work of the anarchists on the company side. If the managements want to live and serve the populace after the war they better restrain themselves and their hot-headed brothers today.

Striking in wartime is a foul business which, as Thomas pointed out, cannot be tolerated under any circumstances, nor have the approbation of any union member.

Of course, strikes are not directly provoked by such small things as I have mentioned. However, the hell with which a lot of industrial Detroit is paved—out of which strikes rise—is made up of the blocks of small actions by all those who constantly, individualistically, sometimes thoughtlessly, go about thwarting other people. Some in management as well as a handful of union members lay those blocks. For months we have prayed that the final knockout blow to Hitler, the invasion of Europe, would start. Now we pray for a quick victory.

Cannot all of us who are engaged in producing the goods that make victory possible—management and labor—subordinate our past hatred of one another, wipe out the things which constantly give rise to irritation with one another, to the end that the home front may stand solid and united behind the Allied troops who are in reality going through the hell of death and destruction in our behalf?

A Mother Prays

EXTENSION OF REMARKS

OF

HON. JOHN W. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. MURPHY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following poem:

A MOTHER PRAYS

A PRAYER ON INVASION DAY

Somewhere, Dear God, within this tragic world of Thine,
There is a boy, a precious lad—protect him, please, he's mine.
To some, perhaps, he may appear to be a boy like all the rest,
But they can never know the things I've planted in his breast.
Why, You remember Jimmy, God, he knelt here at my knee,
And bowed his sleepy little head and lisped his prayers to Thee;
I never trained the boy to fight, I taught him only good,
And why he wanted so to go just can't be understood.

The evil men who planned this war must feel ashamed tonight,

As they look out upon the world—blood-stained—a sorry sight.

I hear they bombed your churches, too, where Christians used to kneel,

And so—when Jimmy marches off—You know just how I feel.

I'm awfully anxious 'bout him, God, and yet, "Thy will be done"—

You understand my feelings, for You gave Your only Son;

My hands are tied by distances, o'er land and 'cross the sea,

I can but bow my head and pray, "Watch o'er my boy for me."

—George Z. Keller, from *Along Life's Highway*.

Champing at the Bit

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Clinton (Mass.) Daily Item of May 25, 1944:

CHAMPING AT THE BIT

Without question Democratic and Republican voters will welcome the test of the political power of the C. I. O. Political Action Committee, which has injected into the coming State primaries, July 11, a candidate who will contest for the Democratic nomination for Congress in the Third Massachusetts District, now represented by Congressman PHILIP J. PHILBIN.

Without question the Democratic voters of this district, once given the opportunity, will register their emphatic disapproval of the tactics of the C. I. O. in the coming primaries.

The committee, which calls itself the Political Arm of the C. I. O., expects to stage the biggest registration drive in history, has one additional step in its program.

Members of the committee, headed by Sidney Hillman, president of the Amalgamated Clothing Workers, believes that the larger the registration for the November election the greater will be the chances of changing the present political complexion of Congress.

For these tasks the committee has a fund of \$700,000, contributed largely by a group of the largest C. I. O. affiliates. Nearly \$500,000 of this fund remains in the hands of the committee, the remainder having been spent on organization work and in primary elections held since the committee's formation, July 7, 1943.

Together with funds which C. I. O. affiliates plan to spend for political purposes this year on a local level in their respective communities, it is estimated that the total which may be thrown into the Presidential campaign and the congressional contests by the C. I. O., will be well over \$2,000,000.

Apart from its plans for this year's electoral contest, the C. I. O. Political Action Committee will seek to demonstrate on a national scale the effectiveness of concerted political action by C. I. O. labor.

Basically, the C. I. O. Political Action Committee believes in organization of labor as a political pressure group and in evaluating candidates for office not only on the criterion of their stand on labor prob-

lems, but also of their policies on social, political, and international problems.

Friends of Congressman PHILIP J. PHILBIN are already champing at the bits for an opportunity to register their approval of his service in the lower House.

No man has gone from Massachusetts who, in the short space of time that he has served, has taken so prominent a place in the lower House as the Clinton Congressman.

The political writers in Washington serving the Boston daily newspapers are unanimous that he has gained a position in the House that stamps him as one of the most aggressive, forceful, militant, and conscientious legislators that the Bay State has sent there in a generation.

The Nation's Missouri River

EXTENSION OF REMARKS

OF

HON. ROGER C. SLAUGHTER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. SLAUGHTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Kansas City Times of June 9, 1944:

THE NATION'S MISSOURI RIVER

From the beginning the American people have regarded navigable streams as a trust of the Federal Government, to be protected against the inroads of special interests and maintained for the good of all.

The special interests' attack on the omnibus flood-control bill asks Congress to reverse that fundamental policy. These interests would set up a precedent that would make one of the greatest of the navigable streams, the Missouri River, primarily a huge irrigation ditch clutched by a few States.

This is the one thing that Gov. M. Q. Sharpe, of South Dakota, says Congress has no right to do. "Congress can't vest any rights in irrigation or in any other class of users," he pointed out to a Senate Commerce Subcommittee.

Now Governor Sharpe represents a State that has a deep interest in the development of irrigation in the Missouri River Basin. It is quite willing to trust to the legitimate supervision of river uses that can and must be exercised by Congress in the future. But that is quite a different matter from attempting to tie up the whole future of the Missouri River with a priority for irrigation, no matter how remote or uneconomic the irrigation projects may be. It is very different from one Congress attempting to say that the Missouri River is no longer to be regarded as a navigable stream. Governor Sharpe speaks reasonably when he says only a constitutional amendment could make such a grant of power.

The attack on the omnibus flood-control bill must be interpreted as a blocking move to gain an unprecedented commitment from Congress. Otherwise it simply doesn't make sense.

The bill backing the Pick plan for the development of the whole river basin contains nothing to jeopardize legitimate irrigation interests. It is an over-all Army engineers' plan. It attempts no commitments of any kind.

The authorization of post-war lakes on the tributaries of the Missouri River is a step forward to serve irrigation as well as flood control and the impounding of water to as-

sure an even flow of the river. Irrigation interests certainly can have no objection to the lakes. South Dakota leaders assume that the existence of the lakes should be a boon to irrigation in South Dakota. They have a legitimate claim and they are ready to trust Congress to make good on it when the supply of impounded water and the proper demands on it are known.

One point of attack is the \$6,000,000 that the bill provides for the completion of the 9-foot channel between the mouth of the Missouri River and Sioux City. This sets up no new policy. The Federal Government is already committed to the 9-foot channel and has spent \$170,000,000 virtually completing it. The additional 6 million would only fill in the few short gaps where construction was held back by engineering problems. To oppose removing the last remaining obstacles to river navigation is pure obstruction that can only be motivated by aggressive special interests, either extremist irrigation interests (railroads), or both.

The spearhead of the irrigation opposition comes from the Red River Valley of North Dakota, which is entirely outside the Missouri River basin. Apparently that group has the backing of the Reclamation Bureau and Secretary Ickes. In order to move the Missouri River water out of its own basin across the divide to the Red River Valley basin would require a perpendicular lift of 250 feet, a tremendously expensive undertaking. Once that is accomplished, the Reclamation Bureau reports that Red River Valley farmers could use all the water that now flows from the Upper Missouri. Follow such a precedent for unlimited irrigation priority and the Missouri could be drained off for irrigation projects anywhere and everywhere, all the way down to its mouth. Missouri, Kansas, Nebraska, and Iowa have their drought years when they, too, could use every last drop of water in the river and leave nothing but mud banks.

In recent months, various charities and hospitals of Kansas City have received some 10 carloads of excellent potatoes from the Red River Valley of North Dakota—the gift of the Federal Government. It is part of a program to hold down surpluses and maintain prices. They are excellent potatoes and gratefully received; but they hardly argue for a desperate plight that would warrant lifting the Upper Missouri River from its basin to grow still more potatoes at any cost.

The Pick plan was built on the American conception of navigable streams that stands to this day. It represents years of careful engineering study. In no way is it hostile to legitimate irrigation demands. The omnibus bill follows through on the Pick plan to develop the Missouri River and its tributaries. It would leave to future Congresses the allocation of water when the supply and the need will be known. No one has a right to ask more.

Amendment of the Price Control Act

EXTENSION OF REMARKS OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. SMITH of Ohio. Mr. Speaker, the people should know the truth about the O. P. A. They are being told that this is merely a war measure; that possibly it may be necessary to continue its operations for a short period following the war, after which it is to be abandoned.

From what I can see I am convinced that the administration forces in control of the O. P. A. intend to make the program of price and wage fixing, as well as rationing permanent. The intention is to fasten this bureaucracy permanently upon the Nation. If it has its way hereafter—war or no war—you and I are to be told by it how much our day's toil shall fetch, how much and what we may eat.

The O. P. A. is using its powers to destroy what is left of free economy and private ownership of property. Although the Price Control Act contains provisions which strictly prohibit it from doing this, it disregards the law and arbitrarily sets up schemes of its own to take the place of long established practices and procedures. With these new devices the O. P. A. has harassed business, agriculture, manufacturing and has driven many concerns to the wall, especially small ones. Nor is this agency sparing labor, as it would have us believe, as witness what happened in the railway employees wage dispute.

My record is already made on the need of price control. Having got ourselves into this fix, some control of prices and some rationing are necessary. That is one thing, but when the O. P. A. uses its powers to build itself up into a perpetual governmental bureau where it can permanently boss us around, that is quite another thing.

Federal Aid for Readjustment of Veterans in Civil Life

EXTENSION OF REMARKS OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, June 12 (legislative day of
Tuesday, May 9), 1944

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "The G. I. Bill of Rights," written by my colleague, the senior Senator from Missouri [Mr. CLARK], and published in the Democratic Digest of May 1944.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE G. I. BILL OF RIGHTS

(By Senator BENNETT C. CLARK of Missouri)

(The servicemen's aid bill—known popularly as the G. I. bill of rights—has passed both houses of Congress and is now in conference. Senator CLARK, who as chairman of the Veterans' Subcommittee of the Finance Committee, introduced and piloted the bill through the Senate, tells here about this important measure to assist our fighting men and women in their readjustment to civilian life.)

In the course of the last year the President has sent to the Congress several messages making recommendations which, taken together, constitute a comprehensive plan for the restoration of the veterans of the present war to a civilian status under the most favorable condition.

As chairman of the Veterans' Subcommittee of the Finance Committee, it has been

my privilege to draft and introduce legislation to implement and make effective the program outlined in the President's messages. On March 18 I reported to the Senate the Servicemen's Aid Act of 1944, more familiarly known as the omnibus G. I. bill of rights for the returning veterans of this war.

In the last week of March this fundamental bill of rights to facilitate the reintegration of our fighting men into civilian life passed the Senate unanimously.

Since that time a substantially different version of the bill has passed the House and the matter is now in conference between the two Houses. All who are interested in the subject hope and believe that an agreement may be speedily reached.

In completing legislative action upon the G. I. bill of rights, we felt that the Senate did a common justice for the men and women who are offering their lives for the preservation of our Republic. But it has done more than that. It has struck a powerful blow for the preservation of the very future of our Nation.

THE BARE BONES OF WAR COSTS

The bill of rights will be costly—yet its cost is trivial compared to the billion of dollars that we have spent upon the shooting end of the war and we view the cost of the veterans' bill of rights as true economy. None can deny that it forms a part of the bare bones of cost of the war itself.

We regard it as the best money that can be spent for the future welfare of this Nation. The men and women who compose our armed forces not only hold the safety of our Republic in their hands on the battle fronts today—they will hold its destiny for a generation to come.

The consummation of all of our hopes and our prayers for national security, stability and prosperity depend on the extent to which these men and women can be speedily re-integrated into the civilian population.

By the time this war is over, we are told, more than 13,000,000 of our finest men and women will have seen service in our armed forces. They represent the cream of our human resources, the very backbone of our Nation. This Republic can ill afford to lose their skills and their leadership.

Yet that leadership and those skills have been rudely interrupted by war. Education has been halted, the men to whom we must look for the future of business, commerce, industry, and agriculture have been torn from their civilian posts at the formative time—at the time when they were beginning to assume the characteristics that have made America great.

WE'RE MAKING OUR FUTURE TODAY

We must recapture those skills and their leadership. If the trained and disciplined efficiency and valor of these men and women of our armed forces can be directed into proper channels, we shall have a better country to live in than the world has ever seen. If we should fail, disaster and chaos are inevitable.

These men will be a potent force for good or evil in the years to come. They can make our country or break it. They can promote permanent world order or World War No. 3. But in a very real sense, the responsibility rests not on their shoulders, but on ours. If we do not fail them, they will not fail us.

And that is why I regard the G. I. bill of rights, passed by the Senate in March and now in conference between the Houses as one of the most important measures that has ever come before Congress. This bill—which is in all respects in line with the President's program—will go far to solve this very pressing and immediate problem. I do not contend that it is the last word on the subject. But I do assert that it is a fundamental bill of rights for service men and women in facilitating their return to civilian life. And I assert that it represents as little as we

In the 4 weeks ending April 15, 1944, our company hired a total of 3,259 new employees, but our total employment went down by 702 persons. For in that same 4 weeks 3,961 had left. Or take some specific plants. In the period ending April 15 our East Moline works, which makes combines and corn pickers, hired 123 persons and lost 143. Our most important farm-tractor plant, Farmall works, hired 301 new employees, but lost 390.

Part of this manpower problem is due to the requirements of the armed forces, for there are 16,500 Harvester men in military service. (Our total employment now is about 72,000.) And a very large part of it is due to the restlessness of employees who are new to industry, who get a job, work a month or two, hear of another job they would like to try, and drift on.

We are doing everything we can think of to meet this problem and our production is still going up. Despite lack of manpower, we have completed or will complete within the period scheduled by order L-257 our full quotas of all but 3 of the 60 general classifications of farm machines which we build. These 3 classifications are grain drills, corn pickers, and combines.

By July 31, when our W. P. B. authorization to manufacture grain drills expires, we expect to have built 92 percent of our grain drill quota. By September 30, when our authorization to make corn pickers expire, we expect to have built 96 percent of our corn picker quota. The lag will affect only one model, the one-row mounted picker. By September 30, when our combine authorizations expire, we expect to have built 84 percent of our combine quota. The lag in combine production represents a shortage of self-propelled models (a new type, never in production before) and also represents our inability to make a number of combines which were not part of our original L-257 quota but were authorized later as a supplemental quota.

One thing we have done that we are pretty proud of. We have balanced our production of farm equipment. We have not been shipping out tractors with no implements to work with them. Generally speaking, we have been able to see that the implements went along with the tractor.

Recently the Government issued the quotas for farm equipment for the year beginning July 1, 1944. These are known as schedule B of order L-257. Schedule B provides quotas somewhat larger than those we have been operating under. And unless the manpower situation gets even worse than it is now that will mean considerably more farm equipment for farmers.

Even more important, however, is the fact that schedule B gives us a running start on production for the first time since the Government began to limit production. The W. P. B., War Food Administration, and other interested Government agencies have told us what the quotas are, and have told us far enough ahead of time so that production can be planned intelligently instead of being a wild scramble for materials. This will be particularly helpful in the production of highly seasonal machines.

At present our war production is diminishing, because of cancellations of contracts, cutbacks in schedules, and completion of contracts which are not renewed. This reflects the general cutting back of most types of war production. If that trend continues, and our information at present indicates that it will, we should be able to transfer more employees and more manufacturing facilities to farm equipment production.

Meantime, we will keep on doing what we have done from the first day of the war, making both war products and farm equipment products, doing both jobs, and doing them both the best we know how.

The Livestock Situation

EXTENSION OF REMARKS OF

HON. FRITZ G. LANHAM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. LANHAM. Mr. Speaker, in accordance with leave granted me to extend my remarks, I am including an editorial which appeared on June 6, 1944, in the Kansas City Daily Drovers Telegram:

REDUCTION IN OPERATIONS

There are so many conflicting factors holding sway in the livestock and meat-packing industries these days that no matter what way the farmer turns to figure his way in planning future operations of his feed lots he runs into a blank wall.

Should he buy replacement stock and forget about the 15 to 20 percent rise in costs since January and give more consideration to the fact that there has been a persistent upturn in the prices paid for slaughter stock? The farmers' answer to date is mostly not in favor of buying replacement stock. When uncertain, do nothing. This seems to be the policy of many cattle feeders struggling with the problem of future feeding.

During the month of April farmers of 8 Corn Belt States purchased only 84,000 replacement cattle, one of the smallest April purchases in many years. This was a reduction of 40 percent, compared with the 142,000 cattle bought in April of 1943, and a reduction of 45 percent from the 154,000 purchased 2 years ago. In April 1941 farmers in the 8 States bought 138,000 cattle.

This restricted buying has gone on a long time, in face of lower costs than in 1943, when replacement cattle brought the highest prices on record.

During the first 4 months of 1944 farmers of the 8 States bought a total of 320,000 head, compared with 468,000 in 1943, with 459,000 in 1942, and 468,000 in 1941.

Cattle feeders are not alone in this urge to temporarily get out of an industry so important to the war. It needs no telling of how important such products as hides and wool are to supporting an army on the move. Yet their production is being discouraged one way or another.

Lamb feeders of the 8 States bought during April only 66,000 sheep and lambs, less than half the 139,000 they purchased in the same month of 1943. Two years ago their purchases totaled 159,000.

The 4 months' buy was one of the smallest in many years, at 386,000 head, which compared with 729,000 in 1943 and 502,000 in 1942.

The same feeling extends into the hog raising business. Feeding pigs in some parts of the country are worth less than half what they were bringing at this time last year.

Of primary importance, of course, is the feed shortage. This in itself would limit production. However, it is not this alone which has turned the production trend. Under it all is that feeling of uncertainty and discouragement, and in almost all instances the causes are traceable to the unfortunate experiment in price control by inexperienced administrators.

A feeder asked how one can have confidence when Federal bureaus are putting out so many conflicting reports and rules that they confuse each other. Another makes the point that while the Government can change its collective mind overnight, the farmer, once he plants a field of corn, has to stick to that decision for at least a year.

Price Control

EXTENSION OF REMARKS OF

HON. HOWARD J. McMURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. McMURRAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter from the George Lafbury Co., of Pittsburgh, Pa., in regard to the reenactment of the Price Control Act:

GEORGE LAFBURY CO.,

Pittsburgh, Pa., May 23, 1944.

The Honorable HOWARD J. McMURRAY,

The House of Representatives,

Washington, D. C.

DEAR SIR: I was a very interested listener to your radio talk last Saturday evening on the subject of price control. I agree with you as to your conclusions but do not agree with your remarks which had reference to fruits and vegetables and, by implication, the representations of the trade organizations presumably representing the fruit and vegetables industry. However, the statements submitted to your committee on behalf of the fruit and vegetable industry do not fairly represent the fruit and vegetable industry, as there are numerous members of our industry who favor price control of our products.

The purpose of this letter is to let you know that the fresh fruit and vegetable receivers and distributors of western Pennsylvania, eastern Ohio, and West Virginia favor price control of fresh fruits and vegetables, and we are taking this means of placing ourselves on record with the House of Representatives.

Your remarks on the radio with reference to our industry were no doubt based on the statement submitted to your committee by Harold M. Buzek, president of the National League of Wholesale Fresh Fruit and Vegetable Distributors, a copy of which is in my possession. This statement was misrepresentative in many particulars and contained many distortions and gross exaggerations. To read Mr. Buzek's statement, one would conclude that the respectable elements in the industry were out of business and that nearly all the trading was in the hands of the "black marketeers." This is far from the truth. The great bulk of the business is transacted by the legitimate factors and according to law. True, there has been "black marketing," but even so, the ceilings were there all the time, acting as an estoppel, and the prices realized by the "bootleggers" were far short of the prices that would have been realized under unrestrained competitive conditions.

I have been in trade organization work for many years, having been elected to every office of the National League of Wholesale Fresh Fruit and Vegetable Distributors, twice serving as national president. Naturally, it is with some hesitancy that I now criticize its present position, but in all fairness I feel impelled to submit the following proof that Mr. Buzek's statement was not the unanimous opinion of the members of the fruit and vegetable industry.

The Pittsburgh branch of the National League of Wholesale Fresh Fruit and Vegetable Distributors is the largest branch in the league; its 97 members includes nearly every important receiver and jobber in western Pennsylvania, eastern Ohio, and West Virginia. Under date of April 14, 1944, Mr. Ches-

ter Franzell, II, president of the Pittsburgh branch, wrote Mr. Buzek as follows:

"We have your circular of April 12 asking for ideas and suggestions as to the attitude you should take when appearing before congressional committees regarding Government agencies.

"I know very well that you will be disappointed in the small response you will get to your request for ideas and suggestions. However, as president of the Pittsburgh branch, I feel that you should know the consensus of opinion from our territory. This has not changed in the least from our attitude at French Lick in January. At that time I believe we made it rather clear that we were for cooperation with the Government agencies, which we honestly felt were trying to do a job. We realize that price control is just as necessary in our business as in any other, and are not antagonistic toward the idea. Naturally, we are for simplification of regulations as well as absolute fairness in the distribution of mark-ups.

"If you will read the resolution which emanated from the French Lick convention again, you will have a clear expression of Pittsburgh's attitude and recommendations in the whole matter."

Apparently the opinion of wholesale factors representing some 3,000,000 consumers was totally ignored.

In explanation of the French Lick convention resolution, the executive committee submitted a resolution calling for elimination of price control of fruits and vegetables. After considerable discussion and debate, the "elimination" clause was deleted, and the resolution as passed called for cooperation of the trade with O. P. A. on enforcement of its regulations.

Last fall I was asked to serve as special consultant to the Fresh Fruit and Vegetable Division of the O. P. A. without salary. I entered upon this work with pronounced inhibitions, mostly antagonistic. After attending many conferences in Washington, I want to go on record here and now with the statement that the Fresh Fruit and Vegetable Division is ably managed by experienced and practical men; that every effort is being made to write and issue practical directives affording full protection and reasonable profit to the producer, distributor, jobber, and fair prices to the consumer. Practically every request and recommendation submitted by the consultants were accepted and made a part of the directives, with consequent and lasting benefit to the fruit and vegetable industry. On the other hand, a number of impractical or burdensome regulations were eliminated when consultants submitted adequate proof of their practicability. Summarizing, I am absolutely "sold" on the Fresh Fruit and Vegetable Division of the O. P. A.

In conclusion, I call your attention to an editorial appearing in the May 13 issue of the Packer, the national weekly trade paper of the fresh fruit and vegetable industry. The Packer has a very large circulation in every commercial production section and read by almost 100 percent of the receivers, jobbers, brokers, etc. The editorial is captioned "Price stabilization must continue." Probably the last paragraph is controlling, as it is the considered opinion of the editors who are in intimate contact with the industry over these many months of price control, and which reads as follows:

"The measure is again before Congress. It should be continued, with amendments to the end that every factor in the industry be treated fairly and black markets in fresh fruit and produce made an impossibility. Price stabilization must continue, and every measure necessary to bring this about must be extended if America is to plow to the end of the row and achieve victory."

Yours very truly,

GEORGE LAFBURY Co.,
GEO. LAFBURY, President.

St. Lawrence Seaway Project

EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. DOUGLAS. Mr. Speaker, since Pearl Harbor it has become evident that the developed water-power sources in northeastern United States are not sufficient to supply either the demands of the war or the demands which will follow the war. Proof of that statement is furnished by the fact that it was necessary to transport hydroelectric power all the way from New York City to Massena, N. Y., in order to operate the aluminum plants, which were so vital to our war effort. It is clearly evident that industry in the post-war era will migrate to that section of the country which can provide cheap power. Proof of this can be shown by the action of the Government in closing aluminum plants where such cheap power is not available, while those plants located near a source of cheap power have been continued.

The war has brought the United States and the Dominion of Canada very closely together, and it has further demonstrated that the interests of the two nations, particularly along industrial and economic lines, are identical. I, therefore, believe that the construction of the St. Lawrence seaway and the development of the St. Lawrence power would accomplish, so far as our post-war economy is concerned, the very thing that close cooperation between the two nations has already accomplished in our joint war effort.

The war has changed many of our opinions with regard to international affairs, and the part America must play in the world from now on, and, along with that, viewpoints with respect to the necessity for international cooperation in the fields of economics and commerce and industry will likewise change.

The matter of the St. Lawrence seaway and power development will probably be an issue during the present session of Congress, but, if not, certainly during the next session. For that reason I feel that I should make clear my stand on this important issue.

Prior to Pearl Harbor I was opposed to this project, as I did not feel that the expenditure necessary to complete it would be warranted by the results obtained. However, the present war has caused many changes in our economic structure, and I now believe that the construction of the St. Lawrence seaway as an international project, the expense to be shared by the United States and Canada, should go forward to completion. I am in favor of the development of the St. Lawrence power as a public project and for the benefit of the people of the State of New York.

The St. Lawrence seaway proposal is not a New Deal project, as some people have erroneously assumed. It has been endorsed by every Republican President since and including President Taft. Its

leading advocates throughout the years have been Republican Members of Congress. It has been endorsed on several occasions by the United States Board of Army Engineers. Governor Dewey of this State is on record in favor of it and the New York State Legislature at its last session unanimously went on record in favor of the St. Lawrence power development. The pending St. Lawrence seaway bill is sponsored by a Republican Senator, Senator GEORGE D. AIKEN, of Vermont.

New York's industrial prosperity in the post-war era depends in large measure on the ability of this State to furnish the cheap hydroelectric power to attract industries. Such cheap power is available already in the Tennessee Valley and it is available in the Pacific Northwest, which accounts in no small measure for the migration of industry to those sections.

The development of the St. Lawrence power and the construction of the St. Lawrence seaway should be a fundamental phase of New York State post-war planning. Not only will the successful completion of this great undertaking provide the cheap hydroelectric power to attract and to retain industry in New York State, but it will likewise provide cheap power for the municipalities of New York State and for the host of rural residents who are now denied the benefits of electricity because of high cost.

All northeastern United States will benefit materially from the construction of the St. Lawrence seaway and the development of the St. Lawrence power. The benefit will particularly be felt, however, in central New York because of its nearness to the development itself. No post-war project which has been so far proposed will result in greater value to a greater number of people than the St. Lawrence seaway and power development. For that reason I am heartily in favor of it and will do everything in my power to see that the seaway measure passes the House of Representatives.

Tribute to Members of Draft Boards

EXTENSION OF REMARKS

OF

HON. HAROLD C. HAGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. HAGEN. Mr. Speaker, at a thankless, unpleasant task, members of hundreds of selective service, or more commonly called draft boards, are distinguishing themselves as real patriots in this great time of crisis. It is no pleasant task to sit on these boards and make decisions as to the induction of one boy and the deferment of another—both in the same community, both from the same school, and perhaps both from the same church. The task is made doubly hard because these draft-board members are from the community whose boys they are sending into the armed

We know that it will be subtly argued that the La Follette speech and the Progressive platform were not utterly isolationist. But in the convention were scores of men and women who could not avoid the thought that they were.

It is a peculiar property of truth that when you mean a thing you don't need a thousand words to say what you mean. Mr. LA FOLLETTE's speech was long enough for a simple sentence saying that isolationism is out and American fathers and mothers want assurance against another war in another 25 years. He didn't say it.

The 5,000 word Progressive platform didn't have space enough to include the simple sentence offered by Assemblyman Mullen: "We favor an international organization dedicated to carry out these principles of peace." Mr. Mullen was backed by State Senator Risser and by Norris E. Maloney, district attorney of Dane County. It couldn't go in because it didn't get the green light from Senator LA FOLLETTE and Herman Ekern.

And the party was still the LA FOLLETTE personal party. That is the tragedy of it. It never has become a Wisconsin party or a national party.

In the convention were hundreds of men and women, as good citizens, as good Americans as can be found anywhere in the country, more earnest delegates than can be found at most conventions. But they were afraid of something. The real hero of the day was Roy Samb, of La Crosse, who voted "No" to the platform because it was isolationist. And if anyone doesn't think it takes courage to vote "No" with 600 yes men crying "Yes," let him try it sometime.

Why Senator LA FOLLETTE takes the reactionary road, we do not know. It should not be from any sense of loyalty to his late father, who in 1919 opposed the League of Nations, as did HIRAM JOHNSON and Senator Borah, along with the reactionary Republicans they formerly had so bitterly opposed. A man might honestly think in 1919 that isolation was our proper course. But ask fathers and mothers who have seen their boys leave for war if they think what we did in 1919 was right.

[From the Milwaukee Journal of May 9, 1944]

THE DEMOCRATS STAND UP

Wisconsin Democrats meeting at Wausau challenged the isolationism which is so thinly veneered in the State Republican platform and so thinly disguised in the Progressive platform. They said:

"We thoroughly condemn the principle of isolationism and demand that the United States of America assume a position in world affairs equal to its importance and greatness as a nation."

This is an answer to the formula invented recently that Stalin fights for Russia, Churchill fights for Britain—and why shouldn't the American Government stand for America? This formula has been eagerly parroted both by partisan politicians who have given no real thought to prevention of war and by isolationists who want to pose as American.

Further the Democrats declared:

"We condemn the pre-war isolationism as dangerous and detrimental to the welfare of this country.

"We favor the joining of an international organization of nations backed by organized force with power to keep the peace, and the creation of such control against the aggressor nations of the world as will compel peace and guarantee, insofar as our responsibility goes, safety of Americans, their property and lives wherever they may be.

"In the name of liberals we condemn the stand taken by Senator LA FOLLETTE yesterday in Milwaukee as a reversion to isolationism."

The Democratic delegates also endorsed a slate of candidates.

Voters of Wisconsin who put the prevention of future war first thus have an opportunity of expressing themselves. That some may not do this because of the feeling that the Democratic Party has not been strong in Wisconsin in recent years is likely. But its convention, alone of the three Wisconsin conventions held, went on record firmly.

President Roosevelt has himself to thank that the only convention which endorses his record and his candidacy is the smallest of the three and that the party ran a poor third in the elections of 1942. He did not help build the party in Wisconsin; he showed plainly his preference for the LA FOLLETTE family party, which was still clinging to his coattails as late as the election of 1940, but now turns from him to go its own way.

The Democrats stood up for something important to this Nation. They stood up for the President, too. And they stood against the charge brought against Wisconsin that it is an "isolationist" center.

The Control of Bureaucracy

EXTENSION OF REMARKS

OF

HON. RICHARD P. GALE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. GALE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Minneapolis Star Journal of February 26, 1944:

THE CONTROL OF BUREAUCRACY

One of the most popular whipping boys in Government, particularly on the Federal level, is bureaucracy, but few critics make constructive proposals for lessening the evil.

Congressman HERTER, of Massachusetts, is a welcome exception. He admits that the octopus of Federal bureaucracy is here to stay, but says we can improve and control it. Here are his recommendations:

Prohibit Executive orders which create administrative agencies and commission administrative agents with autocratic authority.

Permit existence of bureaus or bureaucrats only under specific congressional mandate and on a statutory basis.

Insist that every act of Congress creating an administrative or regulatory agency of the Federal Government precisely define and limit the area of authority and the means of its exercise, and contain specific yardsticks that permit no uncertainty.

Require that members of every board and commission and every bureau chief be appointed for a specified term of years and that the appointments be subject to Senate confirmation.

Stop the present practice of putting administration and enforcement into the hands of the same agencies and permitting them to be their own judges and juries with respect to alleged violations of their own decrees.

Provide for appeal to the courts and judicial review of all bureaucratic orders and decrees if they pertain to personal or property rights.

Congressman HERTER is more realistic in his approach to the problem than those who talk about "eliminating Federal bureaucracy" as if there could be government without bureaucracy. He realizes Federal controls have grown up over a period of many years, largely in response to public demand, and never can be, nor should be, eliminated.

Even in 1776, the founding fathers were worried about bureaucracy. They lashed out at the bureaucrats of King George, declaring: "He has erected a multitude of new offices and sent hither swarms of officers to harass our people and eat their substance. He has combined with others to subject us to a jurisdiction foreign to our constitution and unacknowledge by our laws, giving his assent to their acts of pretended legislation."

Despite those words of defiance, bureaucracy continued to flourish. The early bureaus and commissions—like the Bureau of the Census, the Bureau of Reclamation, the Bureau of Mines, the Bureau of Standards, the Bureau of Labor Statistics, etc.—were established to meet specific needs.

Under the New Deal, a multitude of new bureaus and commissions was founded to relieve the distressed, promote social security, regulate business and labor, etc. And after the war broke out, new and further controls over production, prices, commodities, etc., brought dozens of new Federal bureaus into being.

When the war ends, production and price control will have to be exercised for some time to come. Social security, post-war public works, Federal aid to education, etc., will necessitate continuance of many bureaus.

Wartime controls, like those of peacetime, are onerous, but are recognized to be the lesser of two evils; without them, we would be in more serious troubles than those caused by the controls in question. Some peacetime regulations, like those imposed by the Securities and Exchange Commission and the Federal Deposit Insurance Corporation, are highly popular. So the chances of elimination of controls are slim indeed.

Whether we agree with all of Congressman HERTER's conclusions or not, his approach is the only realistic one; we must get along with bureaucracy, but we must restrict its authority and make it satisfy present needs. That would end the paradox of the public demanding services and controls and then calling for abolition of the very bureaus which perform them.

Churchill and Fascism

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. COFFEE. Mr. Speaker, our policy of appeasement, with respect to Spain, has depressed intelligent Americans. For years I have been attempting to arouse my colleagues in Congress and the country generally to an appreciation of the need for a realistic attitude toward fascism everywhere and particularly toward Fascist Spain.

Our diplomatic flirtation with fascism in Spain has discouraged the underground residents of occupied Europe, who believe in democracy, despite their observation of what they regard as two-timing, double-dealing deception, and hypocrisy.

On the part of those democratic nations, who profess to believe in democracy and to oppose fascism, millions of potential friends of the United States, living in Latin America, are questioning

the good faith of our devotion to democracy and our ostensible idealism, hurt by the way we deal with Fascist Spain.

It is of the utmost importance to the future of our policy in Latin America and to the future of our friendship and good relations with these republics to the south of us that we sever diplomatic relations with Fascist Spain.

One of the Nation's eminent commentators on national affairs is the distinguished correspondent, editorial writer, and essayist, Mr. Barnet Nover. On May 27, in the Washington (D. C.) Daily Post, appeared a column by Mr. Nover in which he discussed Spain and the foreign policy of Great Britain and the United States.

I commend its reading to my colleagues and to the country:

CHURCHILL AND SPAIN
(By Barnet Nover)

REJOICING OVER ONE SINNER SAVED

Many of Winston Churchill's admirers, and they are legion, will find it more than a little difficult to swallow his kindly words about Spain.

Those words were decidedly out of character with the Churchill the world has come to know since 1940. They seem to be the echo of another and different Churchill—the Churchill who once proclaimed Mussolini a great man, the Churchill whose normally acute vision was so blinded by surface appearances and class prejudices as to lead him, at the outset of the Spanish civil war, to proclaim his approval of the Mussolini-inspired and Axis-aided rebellion in the peninsula.

Churchill changed his mind about Mussolini and he changed his mind about the Spanish civil war. He may change his mind on Spain again. In casting up the balance of the contributions the Franco regime has made to the Allies as against those it has made to the Axis he may reach a very different conclusion from what he reached in his last speech.

The British Prime Minister went completely overboard in expressing his gratitude to Spain. But except for the recently concluded agreement regarding wolfram shipments to Germany and the closing of the German consulate at Tangier, the Spanish acts of good will which he cited were negative rather than positive.

Spain did not go to war with the Allies. She did not permit a German occupation. She remained "tranquil and friendly" during the days when the north African landings were being planned and Gibraltar was crowded with ships and planes.

These items are written in black ink in the Spanish ledger of the United Nations. But there are many red-ink entries about which Mr. Churchill says nothing.

He says nothing about the seizure of Tangier in violation of Spain's treaty commitments. He says nothing about the Blue Legion through which Franco actively participated in the war against Russia and added to the overwhelming difficulties which the Red Army had to contend with during the most critical period of the war on the eastern front.

Furthermore, Mr. Churchill turns a Nelson eye on the continuous campaign of abuse, inspired by the Spanish Government and directed against the Allies. He says nothing about the German agents who, until only just the other day were permitted to use Spanish Morocco as a base of espionage. He says nothing about the pro-Axis, anti-American, and anti-United States activities of the Falange in Latin America.

These actions constitute a far truer reflection of the Franco government's attitude than those for which Mr. Churchill is so warmly grateful. And some credit for what

Spain did not do when the going was hard for the Allies, certainly belongs not to Franco but to the Spanish people.

Mr. Churchill gives his case away when he says that Spain's entry into the war against the Allies would have been accompanied by the German occupation of Spain. It is possible, although the British statesman does not once suggest the possibility that it was the unwillingness of the Spanish people to have their nation overrun by the Nazis far more than the generalissimo's objections that made Hitler think twice before crossing the Pyrenees.

Secretary Hull recently said that Fascism and free government cannot exist together in the world.

One would have imagined, in view of what happened in the world, that this was axiomatic. Certainly if this war is not a struggle against fascism it is purposeless.

But the menace, if Mr. Churchill is to be believed, is not against fascism as such but against German and Italian and Japanese fascism. We are determined to extirpate the wolves but intend to feed the cubs. They are so little, so friendly, so harmless. Yet cubs have a way of growing up.

Mr. Churchill also expressed the hope that "she (Spain) will be a strong influence for the peace of the Mediterranean after the war." With all due respects, this sounds like the late unlamented Neville Chamberlain speaking of the Fascist Italy that was.

If Spain becomes a strong influence for peace in the Mediterranean, and one can only hope that she will, it will not be the Spain of Francisco Franco. It will be a Spain of free men.

Inflation Is More Than a Bogey-man To Frighten Little Children

EXTENSION OF REMARKS OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. MURDOCK. Mr. Speaker, as we today consider the extension of the price-control legislation in this House, it is well to hold in mind the danger confronting the Nation. I find it difficult to convince myself of the frightful consequences of inflation. Perhaps I am much like the average American citizen in regard to inflation as in regard to war, I have not actually seen enough of either one to understand thoroughly their ravages. Maybe that is because I have too much the feeling "It can't happen here." What I need—and I wonder how many others need the same thing—is a greater awareness of the consequences of war and of inflation in order to fear them sufficiently.

At the opening of the session today, in the customary 1-minute periods allowed the Members, I spoke of having received a letter from a young man of Arizona, Arthur E. Way, now in Istanbul, Turkey, who wrote concerning inflation in that and other neutral countries where he has recently resided. Below I wish to quote paragraphs from his letter and follow the quotations by some index numbers showing comparative prices of 1938 and 1944 on twenty articles in common usage:

Regarding inflation, I am attaching, for your information, a copy of an excerpt from

the *Turkische Post* of May 10, which gives you some idea of the comparative prices between 1938 and 1944. The index figure gives you some idea of the percent of increase. In the States we grumbled a great deal about our Office of Price Adjustment, without realizing what a wonderful job they did, in comparison with what one sees in other countries. There is no question that some of the prices at home are a little out of line, but just a quick glance at this table—and the folks at home can appreciate what has been done for them. Prices are high here, about five or six times as high as the States at present; for example, a pair of ordinary shoes will cost about \$30; a pair of socks, from \$5 to \$7; a suit of clothes, \$200 to \$300; a hat, approximately \$20. This is not only true here, but I found similar conditions in Lebanon, Syria, Egypt, and some of the South American countries.

The excerpt follows:

COST OF LIVING IN ISTANBUL

In the economic section figures are cited from a report of the Chamber of Commerce of Istanbul for cost of living up to the end of March 1944.

The report says: If the food prices of March of this year are compared with 1938, they show an increase of about four and a half times the peacetime prices. A family with a low standard of living which would have required \$T39.73 for their food in March of the last year of peace, today for the same purpose would require \$T170.98 a month. The cost of heating and light has not changed substantially in recent months. Their prices today approximate three times the prices of 1938. The other groups do not show considerable changes recently. Prices for clothing and shoes are still extremely high. The following is a table of comparative figures:

Goods	Prices		Index figure, March 1944
	1938	March 1944	
Soap.....	£T34.76	£T172.50	496.3
Bread.....	10.05	30.00	298.5
Mutton.....	45.52	229.00	503.1
Fish.....	10.30	60.00	582.5
Fresh vegetables.....	7.51	30.00	399.5
Beans.....	18.61	85.00	456.7
Peas.....	17.62	91.00	516.5
Cooking butter.....	98.82	450.00	455.4
Olive oil.....	51.85	287.00	553.5
Sugar.....	28.00	208.00	742.9
Rice.....	26.64	148.00	555.6
Potatoes.....	8.32	32.00	384.6
Cheese.....	48.78	182.00	373.1
Olives.....	39.57	92.50	233.8
Eggs.....	1.71	7.25	424
Milk.....	14.79	60.00	405.7
Yogurt.....	20.00	95.00	480
Coffee.....	120.49	600.00	497.9
Coal.....	5.33	14.75	258
Wood for fuel.....	370.08	1,400.00	378.8

As more detailed comparisons have shown, the minimum prices have been listed in the above statistics, so that the prices for products of better quality will be substantially higher.

Price Control Act

EXTENSION OF REMARKS OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. COCHRAN. Mr. Speaker, under the permission granted me, I include as part of my remarks an editorial from the St. Louis Post-Dispatch of June 10 entitled "Against Tinkering With

O. P. A.," and an editorial from the St. Louis Star-Times entitled "Tampering With O. P. A." They follow:

[From the St. Louis Post-Dispatch]

AGAINST TINKERING WITH O. P. A.

Price control would be seriously weakened if two amendments, passed by the Senate, were actually made into law.

The amendment proposed by Senator BANKHEAD, of Alabama, to increase prices on some cotton textiles, would, if made law, be only the entering wedge for a host of exceptions to price control. Many persons are inclined to favor control for everything except the few items in which their personal interests call for increases. Since these exceptions, en masse, would probably cover the entire field of price control, the way to them should be kept firmly closed.

Another amendment adopted by the Senate, making it an adequate defense against consumer suits for merchants to prove that their price violations were unintentional, is persuasive in theory. But it would do material harm to price control, in the opinion of Majority Leader BARKLEY and Senator TAFT, of Ohio.

The price-control laws are working, on the whole, not too badly. Now is a good time for Congress to give them its support and to avoid dangerous tinkering.

[From the St. Louis Star-Times]

TAMPERING WITH O. P. A.

There is grave danger to the entire price-control system in the type of amendment which the Senate yesterday patched into the fabric of the Control Act at the behest of Alabama's BANKHEAD. It is to be hoped that House opposition to this scheme prevail.

Its surface purpose, to lower the excessive cost of cotton goods, seems laudatory enough, even though the obvious real intent is to raise the price of raw cotton by increasing the demand for it. But the fact is that all measures attempting to set the ceilings for specific articles by congressional action should be rejected flatly as an interference with the flexibility essential to good legislation and sound administration.

Set the price of cotton in the law, and you open the way to setting the price on carpets, cabbages, calamine, and corn—all in the same rigidity of a statute dictated by conflicting interests. You destroy completely the possibility of month-by-month adjustments in ceilings that permit the erasures of mistakes, the balancing of specific items against the changing Nationwide need, the spurs to production that experience reveals are necessary.

The whole system of our administration much as it has been berated by those who fancy they a bogey in every bureau, rests on a sound, efficient, logical principle that business itself constantly applies: The board of directors shall determine broad policy, and the most competent manager it is possible to select will devise the means of putting that policy into effect.

No business in the world could function if its board had to sit in on the momentous decision of whether the janitor in plant B should have red hair or black, should be paid \$17.50 a week or \$18. Yet it is precisely this procedure that is suggested by the Bankhead amendments.

Taken in conjunction with the open hostility of many Congressmen to the whole system of the O. P. A., almost every one of the amendments suggested so far to improve the Office is revealed as actually designed to produce in it the paralysis and atrophy akin to death.

Virgin Islanders Ask Larger Share of Self-Government

EXTENSION OF REMARKS OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks I include herewith a resolution adopted May 11, 1944, by the Fourth Municipal Council of St. Thomas and St. John, Virgin Islands, petitioning for a larger share of self-government for these islands. As we look to the post-war period it seems only fair that now we should be setting in motion those programs designed to bring maximum well-being for the people in all of our territorial possessions. A vital part of such planning must include the largest use of the natives of these territories in the management of their own affairs. It is for this reason that the accompanying resolution deserves the prompt and favorable consideration of all to whom it is addressed:

Resolution petitioning the President of the United States and the Secretary of the Department of the Interior to appoint natives to important positions in the government of the Virgin Islands

Whereas the Organic Act of the Virgin Islands, approved by His Excellency, Franklin Delano Roosevelt, President of the United States of America on June 22, 1936, is the basic law of the American Virgin Islands, conferring on the people of those islands certain duties, responsibilities, and privileges as American citizens; and

Whereas the people of the Virgin Islands are, and will always be, grateful to the Congress and President of the United States for the noble and democratic attitude displayed in the adoption and approval of this act; and

Whereas section 23 of said act indicates that natives are qualified to hold important positions in the government of the Virgin Islands, where it states that the Secretary of the Interior "shall give due consideration to natives of the Virgin Islands" when making appointments; and

Whereas in section 21 of said act the President of the United States is given the authority and responsibility to appoint a Government Secretary; while in sections 22 and 23, the Secretary of the Interior is authorized to appoint Administrators for St. Croix and St. John and "such other executive and administrative officers as may, in his discretion, be required"; and

Whereas it is indisputable that qualified natives of the Virgin Islands who have lived in the islands and are acquainted with the people and their needs, if appointed to important positions in the Government by the President or the Secretary of the Interior, will make good and capable officials thus improving the status of the government of the Islands; and

Whereas there is evidence of the ability of natives to fill responsible positions as characterized by the outstanding achievements of natives now in the service of the government of the Virgin Islands, which achievements have redounded to the credit and astuteness of the President and Secretary of the Interior in displaying their ability to choose competent and efficient officials; and

Whereas it is believed that official positions in the government of the Virgin Islands are not lucrative enough to be controlled by national politics and thus disastrously affect the economic and social well-being of approximately 30,000 patriotic and loyal American citizens; and

Whereas it is also believed that even if the positions were controlled by national politics, the President and the Secretary of the Interior have a record of selecting only capable and qualified persons for official positions: Now, therefore, be it

Resolved, and it is hereby resolved by the Municipal Council of St. Thomas and St. John in session assembled, That the President and the Secretary of the Interior be, and are hereby petitioned, to have made a review of the executive and administrative positions in the government of the Virgin Islands, with the view of giving "due consideration to the natives of the Virgin Islands"; and it is further

Resolved, That the President and the Secretary of the Interior be, and are hereby, petitioned to appoint natives to fill whatever executive and administrative positions are now vacant in the government of the Virgin Islands; and it is further

Resolved, That copies of this resolution be sent to all members of the Senate and House of Representatives, the Under Secretary of the Department of the Interior, the Director of the Division of Territories and Island Possessions, the Governor of the Virgin Islands, the Chairman of the Fair Employment Practice Committee, the President of the National Association for the Advancement of Colored People, the President of the Civil Liberties Union, the President of the Virgin Islands Civic Association, and all insular business, labor, civic and political organizations, with the request that these officials and organizations grant whatever aid possible to carry through the policy advocated by this resolution.

Growth of San Francisco

EXTENSION OF REMARKS OF

HON. THOMAS ROLPH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. ROLPH. Mr. Speaker, the Richmond Banner of San Francisco publishes interesting data regarding San Francisco's outstanding growth. Our city is second only to New York among the Nation's financial centers. The article as appearing in the Richmond Banner is quoted in full as follows:

CHAMBER OF COMMERCE COLLECTS FIGURES ON
WARTIME BOOM IN SAN FRANCISCO

San Francisco is the Nation's second largest financial center based upon a study of the 1943 deposits of the 100 largest commercial banks. Seven of the banks in San Francisco, including the Bank of America, American Trust Co., Wells Fargo Bank, Anglo California National Bank, Crocker First National Bank, Bank of California, and San Francisco Bank (order according to bank deposits), rank among the first 100 banks of the Nation with total deposits amounting to \$5,598,187,000, or 10.1 percent of the total deposits. Only New York exceeded this figure. Among the first 10 banking centers following San Francisco in order were Chicago, Detroit, Boston, Philadelphia, Los

Angeles, Cleveland, Pittsburgh, and St. Louis. During the past year the west coast section continued to lead other sections of the Nation in bank deposit gains reflecting the great industrial expansion taking place in this section of the Nation.

The study further revealed that the Bank of America, N. T. & S. A. of San Francisco made a spectacular gain of \$912,000,000 in deposits during the year 1943, carrying its total deposits to \$3,498,153,210, jumping it from fourth into third place among the Nation's 100 largest banks.

The study revealed that the Bank of America has also another distinction, ranking highest among the first 10 banks of the Nation in ratio of deposits to capital, which amounted to 24.1 times; the First National Bank of Chicago was second with 19.4 times, while the Nation's largest, the Chase National Bank, showed a ratio of 16 times.

The expeditious handling of financial transactions of all kinds has helped to maintain sound industrial and trade relations between San Francisco and the western region markets. The trend of big money interests in the Hawaiian Islands, Philippines, and East Indies which started in the pre-war period in the late '30's to utilize the local financial resources and facilities, including the San Francisco Stock Exchange, for marketing their securities, will in all probability continue in the post-war period when normal trade relations are re-established in these markets.

The Bay area population reservoir on April 1, 1944, was remarkably near the same level as on November 1, 1943, 5 months earlier, according to the official census reports for these dates. Presumably, the number of inductions and voluntary outbound migrants has been about equaled by the number of inbound migrants.

Currently, however, there is reported a shortage of about 27,500 workers in critical war industries, indicating that Bay area activity is operating at near capacity for the manpower available. Shipbuilding, ship repairing, and shipping activities' manpower needs are greatest.

Local housing centers indicate a steady flow of requests for housing, but only a small percent can be placed under existing regulations. The importance of the "civilian backstop" to the Bay area war economy and his housing needs have not received any official recognition, although prominent groups in the Bay area initiated a movement to gain official approval for a private building program privately financed as a practical approach to the housing shortage which is handicapping the labor supply.

General business activity in San Francisco in April measured by our index at 171.1 settled seasonably compared to the March level. April business was 10.5 percent below the preceding month, but 3.1 percent above last April. Activity during the first 4 months was 13.2 percent above last year. Placements during April in San Francisco totaled 10,361 persons, of which 9,248 were industrial and 1,113 commercial. This is a slight gain over the total March placements and an increase of 32.6 percent over April last year with the 4 months' cumulative up 11 percent.

April living costs represented by the index for San Francisco-Oakland at 128.1 were up 0.5 percent above March, but were 0.3 percent under April last year. Food costs showed a 5.0 percent drop compared to last year, while clothing costs rose 5.4 percent. Living costs average for the first 4 months was up 1.3 percent above the same period last year, but food costs were off 0.8 percent, while clothing costs rose 5.7.

H. R. 4617 and H. R. 4990—Providing for the Sale of Certain Surplus Military Vehicles and Equipment to Farmers and to Servicemen Who Intend to Engage in or Resume Farming

EXTENSION OF REMARKS OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. FULMER. Mr. Speaker, following World War No. 1 our surplus war supplies were bought up by large, well-organized and well-financed groups of the country in large quantities at ridiculously low prices for the sole purpose of taking care of their own interest in the way of unreasonable profits at the expense of the consuming public.

This should not happen following World War No. 2.

I am inserting herewith a statement issued by the Sumter County U. S. D. A. War Board signed by Mr. J. M. Eleazer concerning this important matter.

On April 17th, I introduced H. R. 4617 and on June 9, H. R. 4990, copies of which I am inserting herewith, which if passed by Congress will take care of same in line with the statement issued by the Sumter County U. S. D. A. War Board.

I agree with Mr. Eleazer that the farmers of this country have done the greatest job on the home front of any group in connection with our war effort.

They, including their families, have had to work long hours, being short of labor and farm implements.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
U. S. D. A. DEFENSE BOARD,
Sumter, S. C., May 29, 1944.

PLANS FOR DISPOSING OF SURPLUS WAR MATERIALS TO FARMERS

TO CONGRESSMAN FULMER: The Sumter U. S. D. A. War Board at its meeting today instructed that I write you and others on the above subject as follows:

That a movement be started now toward perfecting plans for disposing of surplus war materials in such manner as to make it possible for a farmer to get a needed truck, ditcher, jeep, or the like direct from the Government rather than pay several times what the Government gets for it after it passes through some salvage man's hands.

We have just been told by a farmer of his experience. The Army advertised and sold a lot of used trucks in a nearby town. No one except a large dealer could bid on that many trucks, and he got them for an average of \$150 each. This farmer went there to see if he could get a badly needed truck, and they priced him one of the average ones for \$1,600. And, we know from past experience, that this is the way that present methods of disposing of such materials work. No farmer can use a thousand trucks or a hundred ditchers, but maybe he could use one to mighty good advantage.

The farmer has done the greatest job on the home front of any group in this war. He alone has through "spirit, skill, and hard

work" produced more and more with less and less, and he will continue to do so. This being a fact, it would be showing a bit of gratitude if our Government could arrange for him to get these needed machines and equipment at the rock-bottom price that the Government gets, anyway. This will avoid making some new millionaires, and at the same time it will make the Nation infinitely richer with the improved agricultural plant it will help create.

We see no great difficulty in handling this. The equipment could be assembled at convenient points, as it will be, anyway. Instead of making one man rich by letting him have all of it at the low price at which such things go, why not mark them with that same low price and let farmers get what they need? This could be easily controlled by a permit system similar to that used for getting rationed farm machinery at this time.

The Sumter County United States Department of Agriculture War Board earnestly asks that the United States Department of Agriculture war boards and other leaders who receive this do their part to impress our authorities with the rightness of this thing. It will result in a securer nation, with more drainage, terraces, cleared swamp and pasture lands, better hauling facilities, greater productive power, and so on.

Respectfully submitted.

SUMTER COUNTY U. S. D. A. WAR BOARD,
By J. M. ELEAZER.

H. R. 4617

A bill to empower the Secretary of Agriculture to requisition certain material, equipment, and supplies not needed for the prosecution of the war and for the national defense and to use such material, equipment, and supplies in soil and water conservation, drainage, irrigation, grazing, and other districts, and to distribute such materials, equipment, and supplies by grant or loan to public bodies, and for other purposes

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized, empowered, and directed to requisition from the War Department and from the Navy Department and from any other Government agency, any war materials, equipment, and supplies that are or may hereafter be surplus and not required for the prosecution of war and for the national defense but are suitable for use in carrying out erosion control and soil and water-conservation works and operations in furtherance of the act approved April 27, 1935, entitled "An act to provide for the protection of land resources against soil erosion, and for other purposes." Upon receipt of such requisition from the Secretary of Agriculture, the Secretary of War, the Secretary of the Navy, and the head of any other Government agency shall transfer without reimbursement any and all such surplus material, equipment, and supplies as may be requested by the Secretary of Agriculture.

SEC. 2. Such material, equipment, and supplies shall be distributed, through the Soil Conservation Service, by grant or loan, to soil conservation, drainage, irrigation, grazing, and other districts and public bodies organized under State laws with powers to promote and carry out soil- and water-conservation operations and related public purposes. Such distribution shall be made in accordance with such standards, conditions, rules, and regulations as to use and disposition as may be recommended by the Soil Conservation Service and may be established for such purpose by the Secretary of Agriculture.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 14, 1944, for actions of Monday, June 13, 1944)

(For staff of the Department only)

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HOUSE

- PRICE CONTROL; RATIONING.** Continued debate on H.R. 4941, to amend the Price Control and Stabilization Acts (pp. 5947-75). Agreed to the following amendments: By Rep. Sumner, Ill., to provide for court discretion in connection with fines imposed for violations (pp. 5966-7); by Rep. Wolcott, Mich., which will "stop the functioning...of kangaroo courts" (pp. 5967-9); and by Rep. Craven, Ark., as amended by Rep. Goodwin's (Mass.) amendment to exempt violations that are neither willful nor the result of failure to take precautions against the occurrence of the violation (pp. 5969-71). Rep. Michener, Mich., discussed price-control, its value to the country and the war effort, and stated that the associated "regimentation" must be discontinued after the war (pp. 5972-3). Rep. Brown, Ga., submitted an amendment to provide that maximum prices on cotton textiles shall not be less than the sum of (1) cost of yarn and its delivery, (2) cost of production, and (3) a reasonable profit (pp. 5973-5). Rep. Crawford, Mich., submitted an amendment to require maximum prices of agricultural commodities to reflect the price standards established by the Stabilization Act (p. 5975).
- FARM LOANS; VETERANS.** Agreed, 380-0, to the conference report on the GI Bill of Rights, S. 1767, (pp. 5930-7). This bill will now be sent to the President.
- WAR CONTRACT TERMINATION.** Rep. May, Ky., inserted in the Record H.R. 3022, the War Contracts Settlement Act (pp. 5937-43).
- SOIL CONSERVATION.** Passed without amendment H.R. 4659, authorizing SCS to land certain equipment (p. 5976).
- NAVAL APPROPRIATION BILL.** Agreed to the second conference report on this bill, H.R. 4559 (p. 5976). The Senate has not acted on this report.

6. **GOVERNMENT CAFETERIA.** Passed without amendment H.R. 4867, to provide that the D. C. health regulations shall apply to Government cafeterias and eating places (p. 5946).
7. **COMMITTEE ASSIGNMENT.** Rep. Gibson, Ga., was elected to the Expenditures in the Executive Departments Committee (p. 5976).

SENATE

8. **TRANSPORTATION.** Sen. Aiken, Vt., inserted a letter and resolution favoring the Great-Lakes-St. Lawrence seaway project. (p. 5914).
9. **RIVERS AND HARBORS BILL.** Sen. Mead, N.Y., submitted a proposed amendment to this bill, H.R. 3961, authorizing the construction, repair, and preservation of certain public works on rivers and harbors (p. 5914).
10. **WAR AGENCIES APPROPRIATION BILL.** Sen. Russell, Ga., submitted an amendment intended to be proposed by him to this bill, H.R. 4879, making appropriations for war agencies for the fiscal year ending June 30, 1945, which provides that "not more than 25 percent of this appropriation which is used for the payment of compensation for personal services shall be used for the payment of compensation of persons who are members of any race comprising less than 15 percent of the total population of the United States, according to the 1940 census" (p. 5914).
11. **LEND-LEASE, UNRRA, AND REA APPROPRIATION BILL.** Passed with amendments this bill, H.R. 4937, which the Appropriations Committee had reported earlier in the day. Sens. McKellar, Glass, Hayden, Tydings, Russell, Nye, Holman, and Brooks were appointed conferees on this bill. (pp. 5914-5, 5926-7.) Agreed to the committee amendments to restrict the wool and cotton purchasing provision to "domestic" wool and cotton (pp. 5914-5), and to increase by \$32,500 the amount available to the Export-Import Bank for administrative expenses (p. 5926). Agreed to Sen. M. McKellar's committee amendment to insert a provision authorizing expenditure (under REA) of \$350,000,000 of the funds, etc., available for disposition by the President under the Lend-Lease Act, for the purposes of Public Law 267, 78th Cong., providing for U.S. participation in UNRRA, provided that the military authorizes certify that conditions permit (p. 5926).
12. **APPROPRIATIONS Committee** was authorized to file reports during recess (p. 5927).
13. **DISBURSING OFFICERS.** Received from the Treasury Department "proposed legislation to authorize certain transactions by disbursing officers of the United States". To Banking and Currency Committee. (p. 5913).
14. **PRICE CONTROL.** Sen. Aiken, Vt., inserted a Vt. Union petition favoring a "strong price control law" (p. 5914).
15. **ADJOURNED** until Thurs., June 15 (p. 5928).

BILLS INTRODUCED

16. **SMALL BUSINESS.** By Sen. Murray, Mont., S. Res. 308, to increase the limit of expenditures of the small business Committee by \$25,000. To Audit and Control the Contingent Expenses Committee. (p. 5914).
17. **POLITICAL ACTIVITIES.** By Rep. Jennings, Tenn., H.R. 5015 to amend the pernicious political act to further protect the rights, privileges, and immunities extended to citizens by State and Federal Election laws. To Judiciary Committee. (p. 5978).

ITEMS IN APPENDIX

U. PRICE CONTROL; RATIONING. Speech in the House by Rep. Millér, Conn., favoring continuation of the present O. P. A. act (p. A3212).

Speech in the House by Rep. Johnson, Tex., explaining his amendment to the Price Control Act which would "vest in local boards the widest possible authority in dealing with rationing" (pp. A3213-4).

Speech in the House by Rep. Rizley, Okla., opposing price ceilings on watermelons (pp. A3214-5).

Sen. Ellender, La., inserted a New Orleans Times-Picayune editorial, "Amending Price Control," which opposed some of the proposed amendments to the Price Control Act (p. A3217).

Extension of remarks of Rep. Shafer, Mich., including the executive secretary of Economists Committee on Reconversion Problems' statement criticizing O. P. A. "regulation of profits" (pp. A3217-9).

Rep. Spence, Ky., inserted Director Vinson's statement opposing the Bankhead amendment to the Price Control Act, stating "The Bankhead amendment is a devastating blow at our stabilization policy" (pp. A3228-9).

Extension of remarks of Rep. Hagen, Minn., favoring extra gasoline rations for members of the armed forces while on furlough (p. A3230).

Rep. Gore, Tenn., inserted a Tenn. Farm Bureau News article commending his amendment to the Lend-Lease, UNRRA, and FEA appropriation bill "providing that no purchases be made at less than 85 percent of parity" under the Lend-Lease Act (pp. A3230-1).

U. FOOD PRODUCTION; HONEY; BEESWAX. Extension of remarks of Rep. Hagen, Minn., including The American Honey Producers League president's radio address, discussing the "importance of honey and beeswax in the war" (pp. A3227-8).

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For additional information and copies of legislative material referred to, call Rt. 4654 or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

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United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, TUESDAY, JUNE 13, 1944

No. 109

Senate

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, facing tasks that tower above our power to achieve, with a sense of our utter inadequacy we bow for the strengthening benediction of our morning prayer. We come with hearts solemnized by the costly sacrifice which every day is being made to defend the liberty which is the very breath of our life. Hear our supplication as out of our gratitude and our grief, our longing solicitude wings its way over dim leagues to those absent, dearer to us than life itself, joined to us in a living fellowship that no danger or distance can sever.

The long rows of the fallen on far beaches stain the red of our flag to a new luster as, with aching hearts strangely moved, we salute the broad stripes and bright stars, singing softly in our hearts, not without sobs but with new meaning,

"O beautiful for heroes proved

In liberating strife,

Who more than self their country loved,
And freedom more than life."

As soldiers marching with them in that liberating strife, in this time of tumult, in this hour of danger, in this night of anxiety, give us calmness of mind, stability of purpose, consecration to duty, and a stern determination to finish the work which Thou hast given us to do. We ask it in the name that is above every name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 12, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Austin	Guffey	Reynolds
Ball	Gurney	Robertson
Bankhead	Hatch	Russell
Bilbo	Hill	Shipstead
Brewster	Holman	Stewart
Bridges	Johnson, Colo.	Taft
Buck	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Lucas	Thomas, Utah
Butler	McClellan	Truman
Byrd	McFarland	Tunnell
Capper	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murdoch	Wheeler
Eastland	Murray	Wherry
Ellender	O'Daniel	White
Ferguson	Overton	Wiley
George	Pepper	Willis
Gerry	Radcliffe	Wilson
Gillette	Reed	

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JACKSON], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from North Carolina [Mr. BAILEY] is necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The ACTING PRESIDENT pro tempore. Seventy-four Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3476) to approve a contract negotiated with the Klamath Drainage District and to authorize its execution, and for other purposes.

The message further announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 8 and 9 to the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. THOMAS of Texas, Mr. COFFEE, Mr. WHITTEN, Mr. PLUMLEY, Mr. JOHNSON of Indiana, and Mr. FLOESER were appointed managers on the part of the House.

TRANSACTIONS BY UNITED STATES DISBURSING OFFICERS

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to authorize certain transactions by disbursing officers of the United States, and for other purposes, which, with the accompanying paper, was referred to the Committee on Banking and Currency.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate petitions of sundry citizens and representatives of various real-estate companies and cor-

porations of New York City, and vicinity, New York, praying for amendment of the rent-control section of the Emergency Price Control Act so as to remove alleged inequities therefrom, which were ordered to lie on the table.

PRICE CONTROL AND STABILIZATION PROGRAM—PETITIONS

Mr. AIKEN. Mr. President, I have received a petition reading as follows:

The new Senate-proposed price-control bill with 12 crippling amendments would break the back of price control and the whole stabilization program. If it became law it would be the beginning of real inflation which is bad for the people and our Nation at war.

We urge you work and vote for a strong price control law and full stabilization including wage adjustments to bring wages in line with already high cost of living.

The petition is signed by approximately 1,000 members of the United Electrical Workers—Union, Local 218, of Springfield, Vt.

The ACTING PRESIDENT pro tempore. Does the Senator request that the petition be printed in the RECORD together with the names signed thereto?

Mr. AIKEN. I do not ask to have the petition or the names printed in the RECORD. I simply wish to have the body of the petition which I have read shown in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the petition presented by the Senator from Vermont will be received and lie on the table.

ST. LAWRENCE SEAWAY—LETTER

Mr. AIKEN. Mr. President, I ask unanimous consent to read into the RECORD and to have appropriately referred a very short statement or letter from the City Port Commission of Lorain, Ohio.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont? The Chair hears none, and the Senator may proceed.

Mr. AIKEN. The letter is as follows:

CITY PORT COMMISSION,
Lorain, Ohio, June 9, 1944.

Hon. GEORGE D. AIKEN,

United States Senate, Washington, D. C.

DEAR SENATOR AIKEN: The members of the port commission of the city of Lorain, Ohio, wish to inform you that they have gone on record in favor of the St. Lawrence seaway, and wish to urge your support of this long-deferred and urgently needed project.

Respectfully yours,

J. ALBAN MINNICH, D. D. S.,
President, Lorain Port Commission.

The ACTING PRESIDENT pro tempore. Without objection, the statement presented by the Senator from Vermont will be referred to the Committee on Commerce.

Mr. AIKEN also presented a resolution of the City Council of Burlington, Vt., relating to the Great Lakes-St. Lawrence seaway and power agreement with Canada, which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution relating to urging prompt approval by Congress of the Great Lakes-St. Lawrence seaway and power agreement with Canada

Whereas the Burlington City Council has consistently advocated the St. Lawrence sea-

way, as embodied in the pending Aiken-Pittenger bill now before the Congress; and

Whereas the taxpayers have in 2 years already paid, in subsidies and lost income from direct electrical and transportation receipts, more than the cost of the St. Lawrence seaway itself; and

Whereas the shortage of feed, fuel, and other farm and civilian supplies, caused largely by the lack of proper water transportation, now retards the development, not only of the farm, but of mining and the industries of the Northeastern States, especially as compared with other sections of the United States; and

Whereas the cheap power generated and distributed would create a necessary and vast improvement in the agricultural and general welfare of labor and industry throughout New York and New England; and

Whereas 78 percent of the cost of this St. Lawrence seaway project is for labor, direct and indirect, which will contribute in no small way to post-war employment: Now therefore

Resolve, That the Burlington City Council urge prompt approval by Congress of the Great Lakes-St. Lawrence seaway and power agreement with Canada, in order that the project may go forward and thus create this new water highway with its great electrical benefits.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HILL from the Committee on Military Affairs:

S. 1973. A bill to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge; without amendment (Rept. No. 964).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

APPROPRIATIONS FOR WAR AGENCIES—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 10, line 16, after "\$500,000" insert a colon and the following: "Provided, That not more than 25 percent of the part of this appropriation which is used for the payment of compensation for personal services shall be used for the payment of compensation of persons who are members of any race comprising less than 15 percent of the total population of the United States, according to the 1940 census."

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES—LIMIT OF EXPENDITURES

Mr. MURRAY submitted the following resolution (S. Res. 308), which was re-

ferred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 298, Seventy-sixth Congress (providing for a study and survey of the problems of American small business enterprises), agreed to October 8, 1940, and continued by Senate Resolution 66, Seventy-eighth Congress, is hereby increased by \$25,000.

ADDRESS BY THE PRESIDENT ON OPENING OF THE FIFTH WAR LOAN DRIVE

[Mr. GEORGE asked and obtained leave to have printed in the RECORD the address delivered by the President of the United States on June 12, 1944, in connection with the opening of the Fifth War Loan drive, which appears in the Appendix.]

AMENDING PRICE CONTROL—EDITORIAL FROM NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "Amending Price Control," published in the New Orleans Times-Picayune of June 10, 1944, which appears in the Appendix.]

APPROPRIATIONS FOR DEFENSE AID (LEND-LEASE), U. N. R. R. A., AND FOREIGN ECONOMIC ADMINISTRATION

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 4937, making appropriations for defense aid. It is the lend-lease appropriation bill.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that committee amendments be first considered.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on appropriations was, under the heading "Title II—United Nations Relief and Rehabilitation Administration," on page 5, line 10, after the figures \$450,000,000, to strike out "not to exceed \$21,700,000 shall be available for procurement for 61,700,000 pounds of raw wool from stock piles of the United States Government existing on the date of the approval of this Act and \$43,200,000 shall be available for procurement of 345,500 bales of cotton now owned by the Commodity Credit Corporation," and to insert "not to exceed \$21,700,000 shall be available for procurement of 61,700,000

your District Committee would want to comply.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. STEFAN. I know that the D'Alesandro committee has been holding extensive hearings on this very important piece of legislation.

Mr. RANDOLPH. And they reported unanimously to our full committee.

Mr. STEFAN. This bill means the life or death of the Board of Public Welfare of the District of Columbia, a Board composed of volunteer workers, prominent people, who have given their time without cost to the District Government in the operation of the various charitable organizations in the District of Columbia. The legislation is so controversial that I feel it is not in the best interests of the people of the District of Columbia to pass on it within the few minutes' time we have.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to withdraw the bill, but I desire to say that the gentleman from Washington [Mr. COFFEE], chairman of the subcommittee, indicated that he was in favor of this legislation. We have had a unanimous report. I will withdraw it for the time being.

Mr. STEFAN. Mr. Speaker, I think we ought to have more time for debate. I am not for or against it.

Mr. RANDOLPH. We are just redefining the duties of the Board. We are not doing away with the Board of Public Welfare of the District of Columbia.

Mr. STEFAN. Does not the gentleman feel we ought to have more time to debate it?

Mr. COFFEE. Mr. Speaker, reserving the right to object, I may say to the gentleman from Nebraska and the chairman of the District Committee, in view of the fact that there are some Members who feel as does the gentleman from Nebraska that there should be further inquiry into the extent and scope of the bill, although I favor the bill I think it would be in the interest of time to withdraw it at this time.

Mr. STEFAN. I think in deference to the members of the Board of Public Welfare who have given their time for so many years free of charge to the best interests of the District we ought to give this bill some serious consideration.

Mr. RANDOLPH. Mr. Speaker, I reluctantly withdraw the bill in deference to the gentleman from Nebraska.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXTENSION OF REMARKS

Mrs. LUCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

MRS. MILDRED MAAG

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2711) for the relief of Mrs. Mildred Maag, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "\$3,857.03 and insert "\$2,857.03.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4941, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Chairman, I would like to know how many pending amendments there are to this section?

The CHAIRMAN. According to the record submitted to the Chair by the Clerk it appears that there are five amendments on the desk offered by the gentleman from Michigan [Mr. HOFFMAN], and one offered by the gentleman from Kentucky [Mr. SPENCE], to section 5.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to withdraw my amendment to section 5. I shall offer it to section 6.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 20 minutes.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I desire 5 minutes, not on this amendment but on a matter of importance, so there will be some understanding by some of us who have something to discuss other than that that pertains specifically to the amendment. I have no objection, and I want to expedite consideration of the bill.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 30 minutes.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, the Chair has just stated that I have five amendments. I have five amendments there that may be considered as one, or en bloc, and I only ask for 5 minutes on all five; that is, 1 minute on each. There are three other amendments here that are important and have to do with procedure. I would like to have 5 minutes on those amendments.

Mr. SPENCE. Thirty minutes will take care of all the time the gentleman needs. I renew my request that all debate on section 5 and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

Mr. Chairman, I ask that the reading of the amendment be waived because it is printed on page 5796 of the Record of last Saturday.

The CHAIRMAN. The gentleman from Michigan offers an amendment and asks unanimous consent that the reading of the amendment be waived? Is there objection?

Mr. SPENCE. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On pages 13, 14, and 15 strike out section 203 (a) and insert the following:

"PROCEDURE

"SEC. 203. (a) After the issuance of any regulation, order, or price schedule, whether issued prior or subsequent to the effective date of this act, any person subject to any provision of such regulation, order, or price schedule may, at any time, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of or in opposition to any such regulation, order, or price schedule shall be received and incorporated in the transcript of the proceedings at such time and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this act, but in no event more than 60 days after such filing (in the case of highly perishable commodities, such as fruits and vegetables, 10 days), unless by written stipulation the protestant consents to an extension of time, the Administrator shall either grant or deny such protest in whole or in part. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice."

Mr. HOFFMAN. Mr. Chairman, as I stated a moment ago, on last Saturday I asked permission to print these amendments in parallel columns in the Record, and they appear on page 5796 and subsequent pages.

The only difference between this amendment and the provision contained in the bill is that it provides that when a protest is filed with reference to a ruling or a regulation on perishable

goods the Administrator must decide that within 10 days. Then it strikes out from the committee bill that provision which provides that after a protest has been filed the Administrator may take further and additional testimony, and hold further hearings.

The purpose of that is this: We have found that the National Labor Relations Act contains a similar provision, and even after the National Labor Relations Board has decided a case and after an appeal has been taken to the circuit court of appeals, then, on various occasions, the National Labor Relations Board has come along and held further hearings. I hope you get the point. It enables the Administrator to delay a decision indefinitely, and after a decision has been once rendered by the Board, to go back and rehash and again delay the case even though the case is pending in the circuit court of appeals. The only purpose of the amendment is to expedite the hearing.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from New York.

Mr. BARRY. Does it mean that the O. P. A. must make a final decision within 60 days?

Mr. HOFFMAN. It means that they must make a final decision within the 60 days, which is 30 days more than the committee bill gives them. It means that where the order affects perishable products they must make it within 10 days.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this amendment well illustrates the futility of attempting to write a complicated and involved law on the floor of the House. The committee spent a long time in considering these procedural amendments. We have liberalized this law. We think we have given an opportunity to all the litigants to have their cases fairly and impartially considered by not only the Administrator but the Emergency Court of Appeals. We have made provision for the expedition of these decisions. We have liberalized the law in many respects. It is an involved and complicated matter. It certainly would not be advisable, it seems to me, to rewrite on the floor of the House that whole method of procedure, as the gentleman from Michigan attempts to do. I ask that the amendment be voted down.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offered a similar amendment in committee, and it was voted down. This is the situation which I should like to have you consider. Under the present law and under the amendments we propose, there is no time limit on when the O. P. A. must decide a question that is pending before it, and which must be decided before the Emergency Court of Appeals can assume jurisdiction. We have provided a reasonable length of time. If it is not decided within that time, then the protestant may appeal to the Emergency Court of Appeals to assume jurisdiction. However, that puts an additional burden on a protestant.

I feel that 60 days is a reasonable length of time, even though we must add additional members to the O. P. A. staff. One of the most serious complaints directed against the O. P. A. is its failure to make a decision. Many citizens are given a constant run-around, and time goes on, meetings take place, and conversations take place, but in the meantime a man may be out of business. I feel that 60 days is a reasonable length of time for the O. P. A. to make up its mind about a ruling or regulation that they themselves put into effect. Many Members do not seem to realize that the Emergency Court of Appeals cannot assume jurisdiction until the O. P. A. reviews the protest twice. I therefore recommend to the House that it support this amendment.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I just want to endorse the statement made by the gentleman from New York in support of this amendment. The gentleman from Kentucky speaks of the danger of writing a bill like this on the floor. There is also a danger in writing it somewhere else if you are not familiar with the defects that ought to be corrected.

I want to tell you just what is happening under the present law and what will happen under the law as reported by the Committee on Banking and Currency. The law now provides that you can get into court only after the procedure provided under this section has been carried out. This procedure provides that you must file a protest with the Administrator and he must decide that protest within 60 days unless—now, the “unless” is the joker in the whole bill—he must decide it within 60 days unless he asks for further evidence.

This is what has happened, and we had case after case about it where people had never been able to get into court to have their grievances heard, because when the 60 days expired, the Administrator then asked for further evidence, and when he asked for further evidence all limitations of time were off. He did not have to decide the thing at any time, and did not decide it.

We had a case here where they went into the Federal courts in just that situation and the court, while it did not mandamus them, notified the Administrator that unless he did decide that protest the court would mandamus him. Under the committee bill, while it seeks to improve the situation, it requires that he decide it within a reasonable time and then the protestant may go into court and ask for a mandamus and compel him to decide it. So what you do is put the citizen to the necessity of two court procedures in order to get that case decided. First he must ask for a mandamus if it is not decided and if he gets a mandamus then the Administrator must decide it and then you come to the Emergency Court.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BARRY. It has been testified before the committee that the average protest to be reviewed by the O. P. A. takes 110 days or 3½ months before the protestant may reach the Emergency Court of Appeals.

of Appeals.

Mr. SMITH of Virginia. That is, if he chooses to decide it. The point I am getting at is if the Administrator does not choose to decide it the protestant can ask for a mandamus and then the Government will have to decide the protest.

Mr. BARRY. The Emergency Court of Appeals must determine what a reasonable length of time is.

Mr. SMITH of Virginia. Otherwise the party can never get the case back into court.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to call the committee's attention to some of the differences between the amendment offered by the gentleman from Michigan [Mr. HOFFMAN], and the committee bill. The amendment offered by the gentleman from Michigan strikes out the provision that this procedure should be in accordance with the regulations to be prescribed by the administrator. Therefore you throw your whole machinery for review into confusion, because there is no procedure set up. In the next place it says, that unless he acts, grants, or denies the petition within 30 days it shall be considered as having been denied, and in the case of perishable fruits and vegetables, it allows him only 10 days within which to do that. At the end of 10 days, which is hardly time enough for the clerk to stamp the receipts stamp on the petition, he must act and of course all he can do is to deny the petition. If he is compelled to act within 30 days on other petitions, then all he can do is to deny them. Then the aggrieved person, the protestant, must go into the Emergency Court of Appeals and the Emergency Court of Appeals, of course, not having any record before it, has nothing to do but to remand the matter back to the Administrator to perfect the record. Therefore you do not accomplish anything by it. You throw the machinery by which the protest is considered into confusion. You so restrict the procedure that the protest is denied in many cases where it might otherwise be granted. The advantage under the committee amendment is that the procedure allows him to perfect his case before it is reviewed by the Emergency Court of Appeals.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a correction in his statement?

Mr. WOLCOTT. Yes.

Mr. HOFFMAN. With all due respect to the gentleman, he is in error; he is absolutely wrong, when he says that this amendment, which is printed here, and he can read it for himself, strikes out this provision.

Mr. WOLCOTT. I have it, and I have read it.

Mr. HOFFMAN. All right. The gentleman said it struck out this provision or regulation. I am reading now the exact words of your committee bill:

Statements in support of or in opposition to any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator.

Now what is the use of making a statement such as the gentleman did that this amendment strikes that out? It does not.

Mr. WOLCOTT. If the gentleman will read his own committee report, he will find where the words have been stricken out.

Mr. HOFFMAN. I do not care about the committee report.

Mr. WOLCOTT. If the gentleman will read section 303, on page 16 of the select committee report, he will find where the words "in accordance with such regulations as may be prescribed by the Administrator" are stricken out. I think I can read English and I know what I am talking about.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. BARRY. It has been testified before our committee the record on reaching the Emergency Court of Appeals merely consists of the protest and the denial, probably supported by a couple of affidavits.

Mr. WOLCOTT. Yes.

Mr. BARRY. Rarely is testimony taken.

Mr. WOLCOTT. Under the committee bill he can go into the Emergency Court of Appeals at any time, even within 30 days, and ask for an order directing the Administrator to expedite the consideration of the matter and the Administrator is compelled to make his return or his finding within the time set by the Emergency Court of Appeals. In that way you get a record made.

Mr. BARRY. The gentleman stated the Emergency Court of Appeals would have to return the record or remand the case. That is not so.

Mr. WOLCOTT. I think the gentleman is incorrect because we gave the Emergency Court of Appeals original jurisdiction.

Mr. BARRY. That is, original jurisdiction.

Mr. WOLCOTT. But, of course, in practice the Emergency Court of Appeals, in these cases where there has not been time enough for the perfection of the record, is going to remand the case back and the O. P. A. is going to be asked to furnish economic data and everything else which is necessary.

Mr. BARRY. No; there is no need to send it back. This amendment gives the Emergency Court of Appeals original jurisdiction.

Mr. WOLCOTT. They can ask for a record. They can perfect it any way they please, can they not?

Mr. BARRY. That is, to send it back.

Mr. WOLCOTT. That is because they can send it back.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 14, at the beginning of line 21, strike

out paragraph (b) and insert in lieu thereof the following:

"(b) In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 302, but all such economic data and other facts of which the Administrator takes official notice shall be made available to the protestant, and he shall be given the right to question the officials compiling same as to their source, and he shall also be given the opportunity to show their incorrectness."

The CHAIRMAN. Permit the Chair to submit this as a suggestion, that only 5 minutes remain. Would it be agreeable to the gentleman from Michigan to be recognized for two and a half minutes and that the Committee be allowed the other two and a half minutes?

Mr. HOFFMAN. Mr. Chairman, what else can I do?

The CHAIRMAN. The Chair offers that as a suggestion as being a fair arrangement.

Mr. HOFFMAN. All right, Mr. Chairman.

The CHAIRMAN. Without objection, the gentleman from Michigan [Mr. HOFFMAN] is recognized for two and a half minutes and the committee will be recognized for the other two and a half minutes.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, you see where you are caught and where I am caught? Now here are amendments that the House will not give consideration. I have done all that anyone could do. I had them printed, as I said, paralleling the sections of the committee bill. These subsequent amendments provide the same sort of relief that the House yesterday voted into investigations, and that is, that the person charged with a violation might appear, produce witnesses, and be heard. If you do not want to write that in, as I said yesterday, I cannot force it through alone. My record is going to be clear on this thing and there is not going to be any mistake about it, and when my constituents complain to me about the fallacies and the injustices of this legislation as they will, and as they have been doing, my only answer is going to be that those in charge of the legislation refused to consider it or to adopt amendments which would have prevented the injustice.

This particular amendment does only this: I hope the gentleman from Michigan [Mr. WOLCOTT] who misquoted the other amendment, unintentionally and inadvertently, will read this one. The only change in this amendment from the committee provision is that where the Administrator goes outside the record and gets facts—data as they call it—then the man who is charged with a violation shall be permitted to challenge the correctness of that evidence. If you want to deny to an American citizen the right to prove that the evidence which has been introduced against him is not true, I say again, it is all right with me, I cannot prevent it. I offer the amendment and ask its adoption.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I want to call attention to the fact that

the committee amendment provides that in the administration of this act the Administrator may take official notice of economic data and other facts, which includes all of the facts stated by the gentleman from Michigan [Mr. HOFFMAN]. In respect to the investigations, that does not mean that he may be represented by counsel, that he may have a right to cross-examine witnesses. These are hearings and, of course, hearings under the rulings of the courts, especially in the last case in the Illinois Circuit Court of Appeals, the distinction having been drawn between "investigations" and "hearings," in a hearing he can be represented by counsel. He can examine the whole record at any time during the proceedings, even after he gets into the Emergency Court of Appeals, and he has a right to inspect this data and these facts and comment upon them and protect his case in exactly the same manner as a case is protected which goes from a district court to the circuit court of appeals. That is what we have protected in this bill; and I do not think the gentleman should make the charge that we have not given a hearing on these matters. This whole matter was before the Committee on Banking and Currency. We studied the Smith committee report earnestly and gave very serious consideration to it. In consequence we brought out this procedural and review amendment which, to my mind, is a very happy compromise between the two extremes of whether the Administrator shall do all of this behind closed doors, or whether he shall do it effectively and preserve all the rights which every protestant might have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer a further amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Pages 13, 14, and 15, strike out section 203 (a) and insert the following:

"PROCEDURE

"Sec. 203. (a) After the issuance of any regulation, order, or price schedule, whether issued prior or subsequent to the effective date of this act, any person subject to any provision of such regulation, order, or price schedule may, at any time, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of or in opposition to any such regulation, order, or price schedule shall be received and incorporated in the transcript of the proceedings at such time and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this act, but in no event more than 60 days after such filing (in the case of highly perishable commodities, such as fruits and vegetables, 10 days), unless by written stipulation the protestant consents to an extension of time, the Administrator shall either grant or deny such protest in whole or in part. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other

facts of which the Administrator has taken official notice."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment that it is exactly the same amendment as the gentleman first offered and which the Committee rejected. I might suggest that on page 17, of the subcommittee report there is a section (d) which starts out in about the same manner and perhaps that is what led to the confusion.

The CHAIRMAN. The Chair has examined the amendment and it appears to the Chair to be the same amendment. The Chair is unable to detect any difference and, therefore, the Chair sustains the point of order.

Mr. HOFFMAN. Mr. Chairman, I offer a further amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 15, line 2, after the semicolon following the word "brief", insert the following: "Provided, however, That, upon any hearing held by the Administrator or by the Board, upon written request, an oral hearing shall be held at which witnesses shall be heard and any party to such proceedings shall have the right to cross-examine such witnesses."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The CHAIRMAN. Does the gentleman desire to offer further amendments to this section?

Mr. HOFFMAN. Not to this section.

The CHAIRMAN. Are there any other amendments to section 5? As the Chair understood, the gentleman from Kentucky [Mr. SPENCE] proposes an amendment by adding a new section following section 5.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to withdraw that, and I will reoffer it following section 6.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

SEC. 6. Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) At any time prior to or within 5 days after judgment in any proceeding brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize

the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order, or price schedule, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provisions;

"(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph may issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of the provision of the regulation, order, or price schedule involved. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205."

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree to a time limit for the discussion of this section?

Mr. Chairman, I suggest that debate on this section and all amendments thereto close in 35 minutes.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I should like to suggest to the gentleman that on the previous section I sought to make arrangements by which I might have 5 minutes to speak. Time ran out and I could not be recognized. I am going to seek recognition in connection with this section.

Mr. SPENCE. Then I suggest 50 minutes.

Mr. DIRKSEN. Let me suggest that this deals with the question of review.

The CHAIRMAN. Permit the Chair to suggest that 12 Members have been standing during this time. Five minutes apiece would be 60 minutes, of course.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 1 hour.

Mr. DIRKSEN. Mr. Chairman, reserving the right to object, let me suggest to the gentleman from Kentucky

that, with 12 amendments pending, 5 minutes for and 5 against would mean 2 hours. I think 1 hour is not enough to deal with an important matter of this kind.

Mr. SPENCE. I realize that the Members want to be heard, but it is perfectly apparent to everyone that unless we have some time limit we are not going to get through. I do not want to cut anybody off. Let us make it 1 hour and 20 minutes.

The CHAIRMAN. Permit the Chair to make a brief statement with regard to the legislative situation. When we started today there were 27 amendments at the Clerk's desk, which is 10 more than we had when we first started reading the bill for amendment. This will indicate the progress that is being made. This is the fourth day of reading the bill for amendment and we start out today with 10 amendments more than we had when we first started reading the bill.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, what difference does it make whether we take 3 days, 4 days, or a week, if we get a bill? Not only that, but we are now coming to one of the most important sections of the bill—that which provides for court review. Why shut off and gag the American people? Why not give us a little chance to legislate?

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 1½ hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HOFFMAN. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 1½ hours.

The CHAIRMAN. The motion is not in order now. It is not in order to move to close debate on a section until some debate has been had.

The gentleman from Kentucky has offered an amendment. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 16 strike out line 8 and insert in lieu thereof the following:

"Sec. 6 (a) subsection (c) of section 204 of the Emergency Price Control Act of 1942 as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: 'Two judges shall constitute a quorum of the court and of each division thereof.'

"(b) Section 204 of the Emergency Price Control."

Mr. SPENCE. Mr. Chairman, this amendment was suggested by the Chief Judge of the Emergency Court of Appeals, Albert B. Maris, as a result of the experience of that court. The court may sit anywhere in the United States. It sits in divisions of three. Even if there were an increase in the number of judges it will still be divided into divisions. Because of the exigencies of railroad travel and the uncertainties of sickness and other contingencies that might result the court feels that it is absolutely necessary to have this amend-

ment in order that it may function properly. It can, of course, do no injury to the litigants because if the two judges do not agree they will have to send for the third judge. Judge Maris feels this will expedite the decisions of the court and will facilitate its work.

I ask that the amendment be adopted. I also insert at this point a letter I have received from Judge Maris on the subject. I secured permission in the House to insert this letter in my remarks.

The letter referred to follows:

UNITED STATES EMERGENCY
COURT OF APPEALS,
Philadelphia, Pa., June 7, 1944.

HON. BRENT SPENCE,
Chairman, Committee on Banking and
Currency, House of Representatives,
Washington, D. C.

DEAR MR. SPENCE: The Emergency Court of Appeals desires to suggest a procedural matter with respect to which we think it would be well to amend the present Emergency Price Control Act. We would have communicated with you on this subject earlier except that we have been away from home on a 2 weeks' trip in which we held hearings in the far West and the Middle West and from which we have just returned. The matter is the quorum required to transact business in our court. The present act is silent upon the matter of a quorum. It fixes the number of the judges at not less than three in the case of the court and of the divisions of the court which are authorized to be set up.

It is our practice and purpose to assign three judges to hear all cases, but it may well occasionally happen, particularly in view of the many field hearings which we now schedule, that one of the three judges will not be able, due to the exigencies of transportation, illness, or other compelling cause, to be present at the time and place fixed for hearing. We, therefore, suggest that a quorum of two be authorized so that in such an emergency the two judges who are present may proceed to hear and dispose of the scheduled case rather than to delay the litigant's cause until a third judge can be secured. Since the two judges who are present would have to concur in any action taken by the court, a litigant could hardly be prejudiced by the absence of the third judge. If the two could not agree it would, of course, be necessary to rehear the case with a third judge present, but this situation would probably very rarely occur.

The Circuit Court of Appeals Act provides that three judges shall ordinarily sit, but that two shall constitute a quorum for the transaction of business. We think that a similar provision should be made for our court and I am accordingly enclosing an amendment to H. R. 4941 to cover this point. We will be very happy to have you give consideration to it.

With kindest regards, I am

Sincerely yours,

ALBERT B. MARIS,
Chief Judge.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. O'HARA. I did not quite understand the place where this amendment fits in the bill. It does not strike out the section but adds to it; am I correct?

Mr. SPENCE. It does not strike out anything, but adds a section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all

amendments thereto close in 1 hour and a half.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMNERS of Texas. I would like to know how it may be known among whom this 1½ hours is to be divided, and how much time each gentleman is to get.

The CHAIRMAN. The Chair is not prepared to tell the gentleman. There are quite a number of amendments pending to this section and it will be the endeavor of the Chair to try to recognize those who have amendments to this section and to dispose of each amendment after the time allowed under the rules of the House for debate. The Chair will be as fair as possible and of course members of the committee are entitled to first recognition.

The Chair recognizes the gentleman from Michigan [Mr. Wolcott].

Mr. WOLCOTT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Wolcott: Page 17, line 1, strike out the words "and within 30 days from."

Mr. WOLCOTT. Mr. Chairman, this section provides that the court may grant a stay of proceedings for the purpose of testing the validity of any regulation or order in the Emergency Court of Appeals. Then this language appears:

Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint.

The amendment which I have offered would strike out the language "and within 30 days from" because it is my opinion that that restricts and limits the jurisdiction of the Emergency Court of Appeals in that it compels them to act within 30 days and if they do not act or cannot act within 30 days they lose jurisdiction.

We have provided in other sections of the bill that the Emergency Court of Appeals may expedite these proceedings and it would seem to me that we should not defeat the purposes of the bill by limiting to 30 days the time in which the Emergency Court of Appeals may consider the complaint.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, as I understand the amendment it provides that the protestant can take an appeal to the Emergency Court of Appeals at any time. There is no limitation upon his right to file appeal. There is no time limitation in the Emergency Court of Appeals. If that is true, it seems to me that is not consonant with the ordinary practice. In every statute there is some provision that the appellant must take his appeal in a definite time, otherwise he loses. That pre-

vails everywhere. It seems to me that to give a protestant before the Price Administration an opportunity to appeal at any time within his discretion would certainly not be in conformity with the ordinary practices even in the courts. If that is the effect of the amendment I do not believe I could agree to it. May I ask the gentleman from Michigan if that is the effect of his amendment?

Mr. WOLCOTT. The whole matter, in my opinion, is left in the discretion of the lower court anyway. If the complaint is not filed within a reasonable length of time or in accordance with the provisions of the stay, then, of course, the lower court could use its discretion as to whether it should further stay the proceedings. I am firmly convinced that unless the complaint is made, regardless of any action taken by the lower court or the Emergency Court of Appeals, within 30 days, then the Emergency Court of Appeals loses jurisdiction. I do not want them to lose jurisdiction. I want them to retain jurisdiction and I want the lower court to retain jurisdiction so they will have jurisdiction over these appeals. We do not want to defeat the purpose of this bill by limiting either court.

Mr. SPENCE. In all law there is provided time for appeal or else the appellant loses the appeal. If the protestant or appellant does not care to take an appeal he loses. I think a reasonable time should be given him to appeal, but I do not think he should have forever to take that appeal because that would be contrary to the general practice in all the courts. This amendment, in my opinion, should not be adopted if that is the effect of it, and I think that is the effect.

Mr. WOLCOTT. My amendment leaves to the court the question as to whether he has appealed within a reasonable time.

Mr. SPENCE. The protestant ought to have a definite right of appeal in a definite time. I do not think we ought to leave that to any court.

Mr. McCORMACK. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It seems to me, from listening to what both gentlemen have said, that the gentleman from Kentucky, as I understand it, is concerned that this might leave with the protestant the right to appeal even after 6 months to the Emergency Court of Appeals, or at any time within his discretion. I am sure the gentleman from Michigan would not want that situation to exist. Am I right?

Mr. WOLCOTT. It does not exist under the present language. If we leave this in it takes away from the lower court all jurisdiction. There may be circumstances under which he cannot file a complaint within 30 days and the lower court should be given some authority to determine whether he has acted within a reasonable time. There are certain cases and certain circumstances, perhaps, where it would be impossible to file a complaint within 30 days. If the complaint is not filed within 30 days, then the Emergency Court of Appeals has no

jurisdiction over the matter. I think we should leave this in the discretion of the lower court as to whether it will continue this stay for 30 days or 31 days or 60 days. Thirty days is purely arbitrary.

Mr. McCORMACK. Suppose we strike out 30 days, the question addresses itself to me whether the Emergency Court of Appeals by rule of the court would have authority to provide for any period. That is usually provided by statute. In Massachusetts if you appeal from a municipal court to the superior court, it has to be done in the following month from the time the case was entered in the lower court. In other words, a defendant cannot have an indefinite time in which to file an appeal. Yet I see the gentleman's point. My suggestion is this, in an effort to meet the situation, in an effort to try to harmonize the situation: Would it not be better to say "Within 30 days from the granting of such leave or such further time as the Emergency Court might extend"?

Mr. WOLCOTT. They are not in the Emergency Court of Appeals until they file the complaint. If the gentleman will go back to the language in lines 22 and 23, page 16, he will find this stay is granted only where there is good faith. Of course, if the stay is asked merely for the purpose of delaying the proceedings, then it is wholly within the jurisdiction of the court to provide the time in which complaint shall be made, otherwise it would be interpreted by the court that he has not used good faith.

Mr. McCORMACK. As I understand it, the gentleman from Kentucky is disturbed; if you strike out these words, it may give a protestant, say, 6 months to appeal to the Emergency Court of Appeals. I am sure the gentleman does not want that.

Mr. WOLCOTT. No. The Administrator could then go into court and the court could determine at any time after it has granted the stay whether there was good faith and the court could order the stay vacated and the proceedings continued.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. Wolcott: Page 17, line 18, strike out the word "provisions" and insert "provision."

Mr. WOLCOTT. Mr. Chairman, it has been called to my attention that that was a mistake made by the Printing Office.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. DILWEG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dilweg: Page 16, line 11, after the word "time," strike out "prior to or"; in line 19, strike out "is elected" and insert "has been found"; page 17, line 11, strike out the word "in" and insert the words

"after judgment in"; line 12, strike out "involving an alleged" and insert the word "for"; line 15, after "(i)" insert "for 5 days after judgment and."

Mr. DILWEG. Mr. Chairman, the effect of this amendment is to permit a stay only after trial, conviction, and sentence, rather than allow a stay of the whole enforcement proceedings. It provides a stay of execution of judgment and permits a special appeal to the Emergency Court of Appeals on the issue of validity.

We must bear in mind that the basic theory of the price-control statute is that there is an unqualified obligation to comply with regulations unless and until they have been held invalid. It is absolutely essential to effective price control that price regulations be fully complied with, even while litigation is pending as to their validity. To secure such compliance, the Price Administrator must be able to enforce a price regulation effectively and without protracted delays, even though a protest or a complaint as to it is outstanding. It is also essential that people should not be encouraged to gamble on the outcome of litigation by violating a regulation on the chance that it would be held invalid in enforcement proceedings or that a subsequent holding of invalidity by the Emergency Court of Appeals will allow them to escape entirely the consequences of their violation. My purpose in limiting the special remedy is to eliminate its use as a means of delaying trial and removing a burden placed upon the O. P. A. enforcement staff of proving its case from 11 to 14 months after the case would normally get to trial, which, I believe, we can all agree, would be intolerable.

There is every reason to expect that most attorneys for defendants in enforcement proceedings would challenge the validity of the regulations as a matter of professional caution, if not for the purpose of strategic delay, irrespective of real doubt as to their validity. The result would be that virtually every enforcement proceeding brought by the Office of Price Administration would be stopped at the outset and held inactive on the court's docket pending exhaustive litigation by the defendant before the Administrator, the Emergency Court of Appeals, and the Supreme Court. In my speech in general debate I offered a dilatory timetable upon which every defendant could rely. I wish to repeat:

Elapsed time between filing a protest and decision by the Administrator now averages 111 days.

This time is necessary for the submission of evidence by the protestant, for the submission of evidence by the Administrator, for rebuttal evidence, for consideration by the Administrator, for preparing the decision and opinion of the Administrator, and so forth. Under H. R. 4941, the elapsed time would certainly be longer. In the first place, many more protests would be filed because of the abolition of the 60-day time limit and because of the encouragement to violators to file protests. In the second place, the provision for consideration by the board of review would add appreciably to the elapsed time before action by the Administrator on the protest. In the third place, the protestant would have no incentive, in cases where an enforcement case was pending, to co-

operate in obtaining prompt action on the protest. For these reasons, the period of delay pending decision on the protest would inevitably be longer than it is now.

The period authorized by the act for filing a complaint in the Emergency Court of Appeals after decision by the Administrator on the protest is 30 days.

Undoubtedly the dilatory defendant would wait until near the end of this period, as he would in similar periods enumerated below.

The period allowed by the rules of the Emergency Court of Appeals for filing of an answer to the protest is 23 days.

The period allowed by the rules of the Emergency Court of Appeals for filing of briefs is 40 days.

Setting of oral argument before the Emergency Court of Appeals adds another 10 days.

Decision by the Emergency Court of Appeals after oral argument averages 50 days.

Under the present act the time allowed after the decision of the Emergency Court of Appeals in which to apply for certiorari to the Supreme Court is 30 days.

Time necessary for the Government to file brief in opposition to certiorari is 20 days.

Period for action by the Supreme Court on petition for certiorari is 30 days.

If the petition is filed during the summer when the court is in recess the elapsed time might run as high as 120 days.

If the Supreme Court grants certiorari the filing of briefs, oral argument and decision would add another 90 days.

The total elapsed time, excluding delay by the Supreme Court because of its summer recess, and excluding the possibility that the Supreme Court will decide to review the case, is 344 days.

The basic concept embodied in the present act—that all persons shall comply with price regulations pending litigation over their validity—has been scrapped in theory and in practice.

We are all interested in placing every possible safeguard around the rights of any defendant to his defense against informal proceedings based upon an invalid rule or regulation. However, stale cases cannot be successfully prosecuted. Witnesses cannot be found; investigators and attorneys who know the case may leave the O. P. A., or be assigned elsewhere: present turn-over 60 percent per year. Again, I repeat that the burden would be intolerable and would certainly have its effect upon the efficient operation of the Office of Price Control. The Administrator has been criticized on unwarranted and unnecessary delays. I know of no better way to give any administrator a better excuse for delay than to insist that his enforcement division follow the procedure set forth under the committee amendment. Enforcement would certainly break down completely while the absorption of the operating staff in the flood of litigation in the Emergency Court of Appeals would necessarily interfere with effective administration. I believe that this committee is confronted with this question: Do you want the Administrator to fight litigation, or do you want him to fight inflation?

I urge the adoption of this amendment.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DILWEG. I yield to the gentleman from New York.

Mr. BARRY. The gentleman does not mean that any rule or regulation is sus-

pending at all while the lawsuit is pending in a civil or criminal proceeding against the defendant.

Mr. DILWEG. He does not.

Mr. BARRY. All this does is to permit the defendant to set up a defense of illegality which, if set up in good faith, the Emergency Court of Appeals may decide upon, and the case is only suspended during that time.

Mr. DILWEG. That is very true, but that delay may be 12 months or 14 months.

Mr. BARRY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, few people seem to realize that a protestant has only the right to go into the Emergency Court of Appeals, but that the enforcement agency has the right to indict a man and use any court in the land that is available.

Under the law as it now exists a person may be indicted, convicted, and serve time in jail under an illegal regulation and cannot plead its illegality in defense. What the committee has done is to provide, where a man has been prosecuted criminally, that he may question the legality of the regulation under which he is being prosecuted, and then if the district court decides that his objection is in good faith, the Emergency Court of Appeals will pass upon the legality or illegality of that regulation.

What the gentleman's amendment provides is to have the case go to sentence, have the man convicted, and then afterward have the Emergency Court of Appeals pass upon it. What would be the result of that? The innocent man would have the stigma of a conviction, and no matter how you would try to explain it afterward, he still would be in the position of someone who was convicted of a crime and subsequently pardoned, and he would carry that stigma on down through the years of his life. That is the position a defendant would be in in the event the gentleman's amendment is passed.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Wisconsin.

Mr. DILWEG. The gentleman says his only objection to my amendment would be that a defendant might have some stigma attached to him because of the fact that he was found guilty.

Mr. BARRY. That is not my only objection. I feel that a man has the right to set up a constitutional defense of illegality at any time in the proceedings. As a matter of fact, I proposed in committee that the district court itself should have the right to determine whether or not the rule or regulation was illegal.

Mr. DILWEG. Would the gentleman kindly explain how you can effectively prosecute cases if you are going to permit delays to the extent of 12 or 14 months?

Mr. BARRY. The district court could pass upon the good faith of the protestant. If the legality of the regulation was decided upon once it would affect all subsequent cases.

Mr. DILWEG. But all regulations are subject to amendment.

Mr. BARRY. Then a man should have the right to decide whether or not it is illegal.

Mr. DILWEG. Would it not be the natural thing for a lawyer to file such protest proceedings in order to delay the case?

Mr. BARRY. I think the majority of regulations are obviously legal, and it would be the exceptional case where a man would set up the defense of illegality.

Mr. DILWEG. If it is the exceptional case, why not favor my amendment?

Mr. BARRY. I do not want to see anybody go to jail in an exceptional case for a crime he did not commit.

Mr. DILWEG. He would not go to jail if he appeals in good faith, execution of the judgment would be stayed.

Mr. BARRY. I do not want to see a man convicted of a crime he did not commit, and then subsequently be pardoned.

Mr. DILWEG. No; he would not be pardoned.

Mr. BARRY. He would be tried and convicted by the court.

Mr. DILWEG. That is right.

Mr. BARRY. He would not go to jail but he would be convicted.

Mr. DILWEG. That is correct. The O. P. A. has had something like 5,000 criminal cases in the courts.

Mr. BARRY. Even one case of that kind is enough.

Mr. DILWEG. Of course; I cannot argue about that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to refer to an amendment that was adopted by the Committee late yesterday afternoon, the implications of which I am quite sure were not understood by the Committee because, if they had been, I am confident the amendment would not have been adopted. It was offered by my good friend, the gentleman from New Jersey [Mr. TOWE] who is one of the able and outstanding Members of the House. However, I find myself in disagreement with him on this issue.

To go back just a little bit, you will recall that the O. P. A. started out on a very comprehensive scheme of standardization and compulsory grade labeling according to standard specifications, as part of its operations under the Price Control Act. The result was that the brand-name manufacturers, the trademark people, and many others, including consumers, became tremendously disturbed at the implications of that program.

Subsequent to that time I introduced a resolution, House Resolution 98, which set up a special committee of the Committee on Interstate and Foreign Commerce to investigate those programs and to determine their place in the price-control scheme, their effect on our economy, and the over-all question of their desirability. After hearings were held

by that committee, an amendment was written, first in an appropriation bill and subsequently in the other body in an extension of the Commodity Credit Corporation, which specifically prohibited the O. P. A. from resorting to that scheme of standardization and compulsory grade labeling according to standard specifications as a part of the price-control program.

The original prohibition went as to all standards and specifications. Subsequently it was pointed out that there had grown up in certain industries general or over-all industrial classifications or specifications or standards that had been accepted in general use, so a proviso was added to the prohibition excepting those standards and specifications that had been in general use prior to that time.

The amendment that was offered yesterday was to strike out the word "general" that has long been contained in the act and is presently contained in the act, and so to leave it that a standard or specification that had been in use might serve as the basis for the extension of that program.

I do not know for sure and no one could tell for sure in this body just what application might be put on that by the O. P. A. if the amendment is allowed to stand. There are many who are fearful that this amendment might operate to bring about a scheme of standardization of consumer goods attached to pricing in such a manner as to eliminate brand names and trade-marks. In other words, with that word taken out of the prohibition we might have a situation under which the O. P. A. in direct contradiction of the position that has been consistently taken by the Congress of the United States not only on this occasion and in this manner but in all legislation dealing with this problem in years past, might seek to impose standardization orders, standard specifications, and compulsory grade labeling in violation of the intent of Congress.

Therefore, when this matter comes back into the House, it is my purpose to ask that a separate vote be had upon that amendment in order that the amendment may be voted down, the word "general" may again be included in the prohibition contained in the statute and thus avoid the extension of these standardization orders which the Congress has determined as not necessary for price control and should not be permitted.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. VOORHIS. of California. Mr. Chairman, I move to strike out the last word.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. VOORHIS. of California. I yield.

Mr. DIRKSEN. May I inquire just what the situation will be here with respect to debate in view of all the amendments that are pending, since the time is running?

Mr. O'HARA. I have an amendment also.

Mr. VOORHIS of California. Mr. Chairman, may I say that I propose to speak to the amendment that is now before the House.

May I say, Mr. Chairman, that I should like very much to make a 5-minute speech on the Disney amendment, but I am not going to do it at this time. I want to speak to this amendment.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

Mr. VOORHIS of California. I do not yield any more now.

Mr. HOFFMAN. A point of order, then, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I understood the rule to be that the time was limited to 5 minutes in support of and 5 minutes opposed to each amendment. Maybe I am wrong.

The CHAIRMAN. That is true, but the gentleman offered a pro forma amendment, and he is speaking on that.

Mr. VOORHIS of California. May I remark that if there were to be any complaints about further speeches on this matter, they come exactly 5 minutes too late, particularly from the gentlemen on the left of the aisle.

There has been an amendment offered by the gentleman from Wisconsin, for whom I have the very highest regard, but it seems to me that the argument of the gentleman from New York in this particular instance is a valid argument.

As the House knows, I am a member of the Smith committee. The House also knows that I filed a minority report, along with the gentleman from New York [Mr. DISNEY], to the Smith committee report on this matter. One thing I did agree to in that minority report was the desirability of allowing an appeal to the courts to test the validity of O. P. A. rules and regulations, for it seems to me that such a court review and such an opportunity for court appeal will basically strengthen rather than weaken the structure of stabilization and price control.

If I understand the committee's language here, in my judgment the committee proposal is about the best one I have seen yet. I think the committee has dealt with all phases of this problem in about as effective a way as it could do. I am not a lawyer, and therefore these questions are a bit difficult for me, but, as I understand, what the committee has provided here is that any time a man is criminally prosecuted by the O. P. A. he may make an appeal to the court on the ground that he believes the regulation to be an invalid regulation under the law, and if the court finds that appeal on his part to be in good faith, the court may then stay proceedings against him until such time as the Emergency Court of Appeals within 30 days shall have decided that question. In other words, it appears to me that within 30 days after such an action has started the Emergency Court of Appeals must have decided once and for all and for the entire Nation whether or not this regulation is valid or invalid.

My further understanding is, and I want to be corrected if I am in error,

that the bringing of an appeal of this sort does not suspend the effectiveness of the rule or regulation unless and until the Emergency Court of Appeals finds it to be invalid. That seems to me to be absolutely necessary, for if that were not the case you then might have situations such as I believe the gentleman from Wisconsin mentioned, where there could be an opportunity simply to bring these appeals, to ask for stays, purely for the purpose of suspending the operation of the rules and regulations.

I cannot see how the committee's proposal here is going to interfere with the effectiveness of price control. On the contrary, as I have said, I believe it may well strengthen it. I certainly think that it is desirable to give to citizens who are likely to be criminally prosecuted this opportunity to have a determination of the validity of the regulation ahead of time.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I concur in the statement being made by the gentleman from California. In the light of that, I have no expectation of offering the amendment which we agreed upon in our committee.

Mr. VOORHIS of California. I am much obliged to the gentleman from Virginia for those remarks.

It seems to me, therefore, in conclusion, that the committee has done a very good job on this, and I hope the committee's position will be sustained by the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. DILWEG].

The amendment was rejected.

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA:
On page 16, line 16, after the word "may", strike out the following words: "Apply to the court in which the proceeding is pending for leave to."

After the word "violated", in line 20, page 16, strike out all the remaining language in lines 20, 21, 22, 23, 24, and that part of line 25, down to and including "203 (a)."

Mr. O'HARA. Mr. Chairman, we are dealing with perhaps the most important subject that we are asked to pass upon in the continuation of this act. I approach this subject with considerable concern, because it involves the rights of our citizens and their rights of appeal. I do not know a more difficult way to provide by any language the right to grant an appeal than is written into this bill. Here you have the situation where the defendant or the respondent, I think defendant is what he would be called, is given 5 days in which he may, pursuant to this section, appeal. Then he applies to the court for leave to file an appeal. He does not just have a right of appeal as he would have under ordinary conditions, but he has to apply to the court for leave to file an appeal. What I am attempting to do is to give him the absolute right of appeal and not have some court question whether he has the

right to have an appeal or to give him that right and not to have some court quibbling about whether the appeal is taken in good faith. I want to give him that absolute right of appeal. This is the most extraordinary language that I have seen in giving a defendant a right to appeal, and then before he has the right to appeal somebody has to pass on whether his appeal should be entertained or not. What I am trying to do is to strike out the right of the court to pass on whether he shall appeal and give him the absolute right of appeal. I hope the committee will recognize the importance of it. After all, our people are tried and convicted by the O. P. A., and for heaven's sake, it seems to me, as citizens, they should have the right to appeal to the Emergency Court, which is the only right, as I understand it, that they have under the law.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Miss SUMNER of Illinois. I would like to say that I think the gentleman is right, and so far as I can see I do not see why that right should be so restricted.

Mr. O'HARA. I cannot imagine anything more difficult. They say, "You have to appeal within 5 days," and then they have to go down and apply to the court and say, "Mr. Court, I would like to appeal. I think I have substantial rights involved, but you have to pass on whether I am acting in good faith before I have the right to appeal." That is the silliest thing that can be written in the English language, involving the rights of citizens of this country.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Suppose the appeal is not taken in good faith and a rule or regulation has already been decided to be valid and suppose that the appeal is taken frivolously and only for the purpose of delay. Would the gentleman deprive the court of the right to decide that question and would he give a frivolous appellant the same right of appeal as he would to an appellant in good faith?

Mr. O'HARA. The same right. I will say to the gentleman from Pennsylvania, if an attorney took such an appeal as that, I think he would be subject to be disbarred by the bar of his State.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. Yes; I yield to the gentleman from Michigan.

Mr. HOFFMAN. Some of these administrators take the position that all opposition to any of their orders is frivolous.

Mr. O'HARA. That is right.

Mr. HOFFMAN. You would not give a man his day in court.

Mr. WRIGHT. I would let the district court decide that, I may say to the gentleman.

Mr. HOFFMAN. The district court does not have anything to do with it.

Mr. WRIGHT. Yes; it does.

Mr. O'HARA. This is the Emergency Court of Appeals.

Mr. HOFFMAN. This is the Emergency Court of Appeals.

Mr. WRIGHT. No; it is not; you are being tried in the district court originally.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HARNESS of Indiana. The order of the O. P. A. remains as it is until the court reverses it?

Mr. O'HARA. Exactly.

Mr. HARNESS of Indiana. The appeal would do nothing to interfere with price control.

Mr. O'HARA. Not a thing; it gives the court the right to review the whole matter. It does not stay the order at all.

Mr. HARNESS of Indiana. It simply gives the court the right to review the action of the O. P. A. in deciding whether or not the man was justly treated.

Mr. O'HARA. May I say to the gentleman, it gives the appellant the right to appeal. That is what I am trying to give to him.

Mr. HARNESS of Indiana. Absolutely. I am for the gentleman's amendment.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HOFFMAN. In view of the way the Supreme Court is deciding cases over here, who would have the audacity to say that any appeal is frivolous when they say the law is one thing today and tomorrow it may be different. They say, "Come up and see what we have to say tomorrow about it." Well, they do.

Mr. WRIGHT. We are in a war.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to this amendment.

This provision of the act has absolutely nothing to do with any appeal excepting on the question of the validity of the regulation or order. Let us have that firmly fixed in our minds. It has nothing to do whatsoever with any appeal excepting on the question of the validity of regulations; and all the rights to appeal which are now vested in any respondent or defendant are preserved, with the exception of setting up new machinery for hearing the question and deciding the question of the validity of the order. If you will refer to subsection (d) of section 204 on page 11, of the Emergency Price Control Act, you will find this language:

Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule—

And so forth. That language has taken away from the court the jurisdiction of questions having to do with the validity of a regulation or order. It takes that away only. It does not take any other right away from the defendant or any other person before the court. So the only thing we are talking about in this stage of the proceedings, for the purpose of filing complaints with the Emergency Court of Appeals, is the question of the

validity of the regulation or order. Now you appeal for one or perhaps a hundred different reasons and any right which the respondent now has in any appeal on any other question other than the validity of a regulation, may be appealed. That question may be appealed to the circuit court of appeals and to the Supreme Court if it is a question which the Supreme Court will consider. The only reason why we establish this procedure in respect to questions having to do with the validity of a regulation or order is so as to prevent confusion in the administration and the enforcement of this law. If it were not for these provisions, the 85 district courts could, to exaggerate for the purpose of this statement and to make clear the point that I want to make, the 85 district courts could have the same question before them and there might be 85 different opinions on the validity of the same regulation or order. Of course, you can readily understand what that would do to the enforcement of this act. So we set up this machinery to centralize the question of the validity of the regulation or order in this one court and insofar as that one question is concerned, that is, the validity of a regulation or order, then the Emergency Court of Appeals stands in about the same position with respect to the district court as the circuit court of appeals does to the district court on all other questions.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROBSION of Kentucky. Speaking of the court passing on what is a reasonable and substantial excuse, am I correct in interpreting this to mean that the district court in which objection is made and from which appeal is taken to the Emergency Court of Appeals is the court which passes upon the question of the appeal? It is not the Emergency Court of Appeals that passes on whether you get to that court, but it is the district court in which your case is pending?

Mr. WOLCOTT. That is correct.

Mr. ROBSION of Kentucky. Then that court will know something about your case?

Mr. WOLCOTT. That is correct.

I might say if the district court acts arbitrarily against the weight of the evidence or whatever is necessary to make out a case for the applicant, even the question as to whether the district court shall grant a stay for this purpose is reviewable in the circuit courts of appeal and the Supreme Court.

Mr. O'HARA. It involves criminal action as well as civil matters, does it not?

Mr. WOLCOTT. Yes.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA) there were—ayes 26, noes 48.

So the amendment was rejected.

Mr. COX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cox: Page 16, line 22, after the period, insert a new paragraph, as follows:

"E-2. Any person aggrieved by any decision, directive, sanction, or order by any Federal agency or official, under purported authority of this act, may obtain a review of same in the circuit court of appeals of the United States for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days, a written petition, praying that such decision, directive, sanction, or order be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon said agency or official who shall thereupon certify and file in the court a transcript of the record upon which such decision, directive, sanction, or order complained of was entered. Upon the filing of such transcript, such court shall have exclusive jurisdiction to review such decision, directive, sanction, or order complained of and may hold unlawful and set aside the same insofar as it is found to be—

"(1) contrary to constitutional right, power, privilege, or immunity;

"(2) in excess of statutory authority, jurisdiction, or limitations or short of statutory right, grant, privilege, or benefit;

"(3) made or issued without full observance of all procedures required by law;

"(4) unsupported by substantial, credible, and material evidence upon the whole administrative record; or

"(5) arbitrary or capricious.

"(b) The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28, as amended, of the Judicial Code.

"(c) Such decision, directive, sanction, or order shall remain in effect pending final decision in the courts: *Provided*, That no remedial or punitive measures shall be taken or instituted against any person subject to such decision, directive, sanction, or order, pending judicial review as provided herein, unless the court having jurisdiction of the case shall upon a proper showing find such measures necessary to further the prosecution of the war."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Georgia [Mr. Cox] is recognized in support of his amendment.

Mr. COX. Mr. Chairman, we find in the debate on this bill, confirmation of the fact that ingenious men find it easy to invent specious arguments, under certain circumstances, that support that which they wish to maintain. It will be observed by every man that this amendment is no attack upon the O. P. A. It is no criticism of the committee handling the pending bill. It ought to be apparent to everyone that it is important that language substantially as contained in the amendment should be written into the law. I can think of no valid argument that might be advanced against it. The objections to amendments heretofore proposed do not apply in this instance. The adoption of this amendment would in nowise interfere with the O. P. A. in the performance of its work. It would not operate as a stay of any decision that the O. P. A. might make. It is simply an attempt to arm an ag-

grieved citizen with the right to appeal to courts of law.

Let me make this observation, and I am sure I am on safe ground in doing so: I cannot believe that the moral sense of this Congress can justify and/or support depriving the aggrieved citizen of the right to appeal to the courts of the land for a judicial determination of rights which he believes has been transgressed by an agent of his Government. I cannot believe that Congress can justify delegating to an administrative agent, the appointment of which it has absolutely no control, the powers to make decisions to which no appeal can be taken.

We talk much about government by men and government by law. I am opposed to government by men, and that is the kind of government you get where administration agents are given the power to set up orders and rules having the effect of law. I can think of nothing more dangerous than to arm an administrative agent of the Government with broad dictatorial power and then turn him loose upon the public to use those powers in bullying and oppressing the citizen.

Now, my colleagues, this is an opportunity for this House to put itself on record, to say whether or not in its judgment an aggrieved citizen ought to be able to appeal to some kind of court.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. COX. I yield.

Mr. HARNESS of Indiana. I should like to make this observation: When we had the Labor Disputes Act under consideration, the conferees on that measure tried to write into the bill a similar provision giving the citizen the right to appeal from the decisions of the War Labor Board. It was denied by those gentlemen who made the same argument against the amendment which was similar to the amendment offered by the gentleman on this act.

Today our people see where we made a mistake in not giving a man the right to appeal from decisions of the War Labor Board. I believe the gentleman's amendment will serve as a deterrent against administrators going beyond the statute law. I am for it.

Mr. COX. I thank the gentleman. This is a proposition upon which all types of people in this House should be able to unite. I know it should appeal particularly to the advanced liberals, and certainly Democrats and Republicans ought to be able to agree to it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WOLCOTT. Mr. Chairman, I withdraw my point of order.

Mr. MORRISON of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MORRISON of North Carolina. Mr. Chairman, the very fine philosophy of law and government expressed by the brilliant gentleman from Georgia would meet with my approval if it were applied to peace times; but we are in war and we

cannot sensibly conduct war through the courts of the land. The Price Administration program is a war measure. If it were not a war measure I doubt if there is a man in this House on either side of the aisle who would support it. The whole measure, the whole program, is violative of the general principles so brilliantly championed by the gentleman from Georgia.

As to the power to take over the business of citizens, think for a minute how mild and weak it is compared with the war power taking over the boys of the United States, the manhood of the country where there is no appeal in any way to the courts for their protection. They are absolutely subject to the military law. I do get a little weary hearing the brilliant attacks made upon this war measure necessary to support the efforts of our boys who are under the flag all over the globe trying to save this orderly and law-governed country in time of peace. What is the law now? It is not the law he has in mind, it is the military law of a great free people made in the organic law of the land in order that we might conduct war triumphantly and save the day when we can stand upon the principles advocated by the brilliant gentleman from Georgia and contend truly that this is a land of law.

Why, we cry how we regulate the price of peanuts, dried fruit, and Irish potatoes, and grow indignant at the violation of the rights of the producers of these commodities while their boys are under the harsh discipline of military law in our armies and navies without any appeal to the courts. I am not afraid, I am not made nervous when gentlemen demand that we should weigh in such delicate, golden scales everything we do with commercial commodities. I believe that the conscience of the court-loving, law-supporting people of this country recognize the law to be every reasonable and necessary right of this Government to conduct this war to triumph and glory everlasting, and I hope we shall cease to be frightened by all these little metaphysical arguments about our legal rights. There are no rights violated by this price-control bill. The whole measure looks to keeping this country from fracturing to pieces in demoralization and industrial and business wreck while our boys are struggling to keep the flags of liberty and glory in the skies; and it is not law to demand that the Congress open in the administration of these war tribunals, as in time of peace, to everybody who is worried about how he is treated about his dried fruit and his pigs and his chickens. Let us do away with all this little nervousness about legal rights, because just as soon as the flags of liberty are triumphant in the skies of this world all of this war legislation will be repealed, at the demand of Republicans and Democrats, and we shall go back to the courts that my friend wants us to avail ourselves of in his argument.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, it was my first thought on hearing the amend-

ment read that it applied as well to all agencies of the Government as it did to O. P. A. I find it applies only to O. P. A. That is why I withdrew my point of order.

This review in respect of violations of price regulations and orders and price measures is a very delicate thing. We discussed this subject for days; yes, weeks. We agreed, all of us, I believe, that, consistent with the purposes of the act, having in mind that we were in a great emergency and that we should give every right to every individual protestant to have his grievances considered by a court set up by this Congress; frankly, as the gentleman from North Carolina has so well said, if this were peacetime, if the preservation of America depended upon the stabilization of our economy alone, and if there were not greater and more influential factors which we had to consider eating at the very vitals of democracy and threatening not only the stabilization of our economy but the very existence of our country, I think we could probably well go along with the amendment of my esteemed friend from Georgia. But he knows how far reaching it is, he knows what the result of possible suspension of regulations and orders having to do with price control would be, what effect they would have on the general price structure and inflation, even if the circuit court of appeals were given jurisdiction over the validity of these regulations and orders.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COX. I am afraid the gentleman in speaking of the suspension of orders has misread the amendment. The amendment does not operate as a stay upon orders; it is simply a pretense at giving the citizen due process; that is all.

Mr. WOLCOTT. We have set up due process under the committee amendment. We have not denied any aggrieved person, any protestant, the rights that he otherwise has to have his grievances reviewed in a regularly constituted court. The only difference in the procedure set up in the committee amendment, as I said before, and the procedure now for the review of these cases in the circuit courts of appeal and the Supreme Court is that we centralize under the one head, in the one court, this question of the validity of a regulation, and it is absolutely essential that we do this if we are going to have effective price control. I would not make the exaggerated statement that if the gentleman's amendment were adopted we would by doing so have no price control, but I do say that it would likely result in a great deal of uncertainty and indecision in respect to the enforcement of rules and regulations.

Mr. COX. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Georgia.

Mr. COX. Just what uncertainty could it create? You have simply provided for a review of the finding of the O. P. A. As the gentleman said during his statement a few moments ago, it simply may operate as a restraint upon the administrative agency to go further than is permitted under the statute.

Mr. WOLCOTT. No. The restraint is here in the committee amendment. I do not think we should restrain them any more than we have restrained them under this bill in respect to enforcement and review. I may say to the gentleman, questions concerning the validity of a regulation might be pending in all of the circuit courts of appeal at the same time, and that is why I say his amendment in effect might lead to indecision and perhaps chaos.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think anybody is more attached to the principles enunciated in the Constitution than I am, but the effect of this amendment would be to tear down all the machinery of price administration that is now in effect. It would substitute for the Emergency Court of Appeals the 11 appellate courts of the United States. It would bring about confusion worse confounded. There is no uniformity of decision in the appellate courts. One appellate court may decide the same question differently from the other appellate courts. It is essential certainly for the effective administration of this law to have uniformity of decision.

Mr. COX. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. COX. I am afraid the gentleman has likewise misread the amendment because it provides for review by the Supreme Court.

Mr. SPENCE. It provides for review and certiorari may be granted by the Supreme Court to the circuit court of appeals, but the decision of the circuit court of appeals, unless taken to the Supreme Court of the United States, is final and it may be the war will be over before you have any decision of the Supreme Court.

Mr. COX. I wonder if the gentleman belongs to that group who have lost faith in our courts?

Mr. SPENCE. I have not. I have not lost faith in the courts or the Constitution, and I believe that every principle in the Constitution should be maintained in normal times, but we are not fighting today for individual rights. We are fighting for the preservation of the Constitution itself and that is the reason I think that men should forego some of the rights they have had in peacetimes in order that these sacred rights may be preserved in future years. An appeal lies from any direction, sanction, or order. I cannot conceive of any amendment that would cause more confusion or that would be more destructive of the machinery we have erected to control prices in the United States than to permit an appellant the right of appeal to the circuit courts of appeals of the United States and to the Supreme Court. If you agree to this amendment you have scrapped all the work the committee has done and you have substituted a method that the committee never considered.

Mr. FOLGER. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from North Carolina.

Mr. FOLGER. The Emergency Court of Appeals is a court duly authorized and established by the Congress?

Mr. SPENCE. Yes; and consists of judges who have served as circuit judges of the United States and district judges of the United States. The present Emergency Court of Appeals consists of two circuit judges of the United States and a district judge of the United States, appointed by whom? Appointed by the Chief Justice of the United States. They are appointed by Chief Justice Stone. If you want uniformity of decision, if you want this Price Control Act to be administered in a regular, orderly, systematic way, I cannot conceive how you could throw it into the circuit courts of appeal with their differing decisions. The result would be nothing but chaos and destructive of the very purpose we are trying to effectuate here.

Mr. WRIGHT. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I just wish to remind the committee that the Banking and Currency Committee has provided judicial review in the present bill far beyond the judicial review that was provided in prior bills.

Mr. SPENCE. Yes; and we have made it more effective and more easily to obtain than it has ever been before.

Mr. Chairman, I am not going to indulge in heroics, but the sun never rests upon the battle lines of the United States and it is as essential that we preserve price control here as it is that we win our victories abroad. Therefore I hope nothing will be done to destroy this machinery that has been most effective up to now.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Georgia [Mr. Cox].

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 59, noes 89.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: Page 16, after line 7, insert the following:

"SEC. 6. (a) The first sentence of section 204 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), or with the appropriate district court, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part.'

"(b) The fourth sentence of section 204 (c) of such act, as amended, is amended to read as follows: 'The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act.'

"(c) The first two sentences of section 204 (d) of such act, as amended, are amended to read as follows: 'Within 30 days after entry of a judgment or order, interlocutory or final, by the district court provided for in subsection (a) or the Emergency Court of Appeals, a petition for a writ of certiorari

may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1940 ed., title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The district court provided for in subsection (a), the Emergency Court of Appeals, the appropriate circuit court of appeals upon review of judgments and orders such district court, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals and of such district court or circuit court of appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule."

Mr. DIRKSEN. Mr. Chairman, next Thursday will be the 15th day of June 1944, and it will mark the seven hundred and twenty-ninth anniversary of Magna Carta. It will be 729 years ago that the barons gathered in that meadow along the Thames River in London and there, in the space of a single day, they made a foul king sign a statement consisting of 63 demands, 1 of which was that the king had outraged his people by carrying the court with him and making justice inaccessible.

There has been much history since then. There has been much sweat and tears and agony. There has been many a sacrifice in that 729 years to roll back the abuses of authority and preserve for people their devotion to a tribunal where justice against government can be found.

Today we are going to do something more than pass upon the question of the enforcement of a price-control bill. We are going to determine today a larger issue—namely, whether in achieving an economic objective, such as price control, we shall throw the court system of this country overboard. The whole issue here, in my judgment, based upon our national experience since this act was established in 1942, is to carry out the intent and purpose of the due-process clause in time of war and in time of peace, and to give the citizen a chance to stand before a man whom we call a judge and have him say, "Your Honor, can my Government impose an order, regulation, or schedule that will capriciously and arbitrarily and summarily put me out of business without due process of law?" The question here is whether or not there shall be a review of the validity of these orders, regulations, and schedules in the district courts of the United States. I have enough faith in the district courts of the land to fairly dispose the issues that may flow out of price-control functions.

May I say to the Members over on the majority side that the President has appointed 296 judges, of all levels, since he has been in office. There are only 318 Federal judges in all the Federal courts, from the chief tribunal on down. I shall not here and now confess a lack of faith in those who sit and preside over the district courts of the country, nor in their competence to pass upon the validity of

orders, regulations, and schedules, if they put the citizen out of business. That is the issue that is before us today. That is the issue that comes resounding from the people everywhere I have been. When in many sections of the Nation, I read to them the language of section 204 (d) that "except as provided in this section no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this act," they would not believe it. I have sent hundreds of copies of the price-control law out of my office with that provision underscored to indicate that all this power was now reposed in an Emergency Court of Appeals. We have divested our court system of jurisdiction. We have taken away power.

Let me submit to the distinguished gentleman who made such an eloquent speech: Must we, in time of war or in time of peace, throw justice overboard, make it a one-way street and deprive the humble citizen of the right to have his equity determined in an accessible court?

HOW THE LAW STANDS TODAY

How does the law stand today?

In a brief way, it provides that an aggrieved person whose protest or complaint has been denied by the Administrator can within 30 days after a denial of his protest, file a complaint with the special Emergency Court of Appeals.

The protestant must prove to the court's satisfaction that an order, regulation, or schedule is at variance with the law or that it is arbitrary or capricious.

If the Emergency Court enters a judgment on this complaint, that judgment does not become effective for 30 days.

That Emergency Court of Appeals cannot issue a temporary restraining order with respect to orders, regulations, and schedules.

It is up to the citizen, at time and expense, to endure inconvenience and sacrifice to get into the only single court which we have approved in the act of 1942.

Is that genuine due process? A court is of little value to the humble citizen of this land unless it is accessible.

And it is the only court.

As stated above, section 204 (d) of the present law provides that except for the Emergency Court—

No court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any regulation, order, or schedule.

Truly we have come far since the days of Magna Carta.

WHAT THE COMMITTEE PROPOSES

The Banking and Currency Committee has made no change in all this.

It has proposed a new subsection which deals with cases involving violations.

But must a citizen first violate the law before he can have an adequate review in an accessible court of an order, regulation, or schedule which imposes unnecessary hardship or unwarranted burdens not dictated by the needs of the times?

WHAT THE AMENDMENT DOES

The amendment which I have offered proposes to cure this condition.

It is simple, direct, and all-inclusive.

It preserves the same pattern of procedure now carried in existing law.

It gives the Federal district courts of the land the same jurisdiction as now enjoyed by the Emergency Court.

It affords power to the district courts to issue temporary injunctions or restraining orders.

District courts will be clothed with power to pass upon the validity of orders, regulations, and price schedules.

It reverts in our Federal courts the jurisdiction which we took from them in the act of 1942.

The citizen has his choice of going before an accessible district court or the Emergency Court of Appeals.

An appeal may be taken to the Supreme Court in the same manner as is now the case with an appeal from the circuit courts of appeal.

It reestablishes the dignity of our court system.

THE OBJECTIONS THAT MAY BE RAISED

It may be said that review by district courts will destroy price control. How can it when there is such unanimity for a continuation of price control.

It may be said that there will be confusion as a result of divergent decisions in different jurisdictions respecting such orders, regulations, and schedules.

Let this answer be given. On June 1, 1944, the Judiciary Committee of this House reported Senate 1718 with amendments, a bill to provide settlement of claims arising from terminated war contracts and for other purposes.

There will be thousands of such cases. Not only will they involve vast sums, but in fact, the very economy of the nation.

Did the Judiciary Committee, composed of the fine legal minds in this House undertake to create an emergency court which should be the only judicial hope of thousands of war contractors?

Did they despairingly view the future and talk of chaos and confusion and administrative difficulty if the courts were made accessible to the people?

They did not.

In section 13 (b) of that bill, they provide that a war contractor who is aggrieved by the findings of a contracting agency of the Government may bring suit in the Court of Claims, or appeal to the appeal board or in a district court of the United States.

Would you make justice accessible to a war contractor and not to the humble merchant, businessman or citizen?

It may be said that the right of a district court to issue a temporary order with respect to such orders, regulations and schedules will destroy the act. Will it?

Temporary orders and decrees are not so lightly issued.

There must be a showing of danger, or jeopardy, or irreparable damage before such an order would be issued. And if such a showing is made by a complainant, then a temporary order should be issued.

It may be said that it will hamstring O. P. A. Will it? If an aggrieved person takes his case into a district court, he must make the same showing there that he would in the Emergency Court. That part of existing law is untouched. It still remains for the complainant to show that an order, regulation, or schedule is not in accord with the law or that it is arbitrary or capricious.

Is it to be inferred that the judges in our Federal district courts are not as competent to pass upon these matters as the judges appointed to the Emergency Court?

Is it to be inferred that persons aggrieved by matters of little consequence will lightly rush into the Federal district court when they know that they must make a real case and that failure so to do means trouble and expense for them?

SOME BASIC ISSUES

For 6,000 years, the history of mankind shows man's struggle against abuses by the sovereign power. How he fought and bled for a system of tribunals where he might receive a chance for his case to be heard by an impartial judge!

Do you propose now as we did in 1942, to go backward and impair the authority of the courts?

Will it be contended now that to win the war and hold the line, it is necessary to deprive the people of these safeguards to civil liberty?

It is far better to endure some abuses than to foreclose this right of our citizens.

Not the least of the components of victory is morale and I know of no better way to serve morale than to provide our people with the assurance that in wartime as in peacetime, they can have their day in court.

The country is poised for a bond drive. Sixteen billion dollars is the goal. What kind of bonds. Bonds for victory! Bonds for freedom. Bonds to provide funds for young men who fight for the American way. Do we now propose to foreclose a portion of the American way by continuing the present restriction upon the people's access to the courts? Do we propose to confess now that we cannot have price control without impairing the jurisdiction of a court system that has served us in wartime and peacetime for more than 150 years? What a singular confession that would be and where are the defenders of the American way?

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection? There was no objection.

Mr. MONRONEY. Mr. Chairman, this undoubtedly is the most important amendment that could possibly be offered to the judicial section of this bill. I think it probably comes as a result of a lack of understanding, not on the part of the author, but on the part of the public of what constitutes the Emergency Court of Appeals.

If I were to ask my people back home about 99.44 percent of the people would say, "Well, it is one of those 'kangaroo

courts,' or it is a New Deal court, or it is something they just picked out of thin air and sat down up there."

I quite agree with my distinguished colleague, the gentleman from Illinois, that we all want to preserve our judicial system. The Emergency Court of Appeals is a Federal court. No one can sit on this Emergency Court of Appeals who is not a Federal judge. He is appointed for life, and he is assigned to this Emergency Court of Appeals by the Chief Justice of the United States. It is a specialized court, that is true, because there are myriads of questions involved, as this House surely knows by this time—vast ramifications and interpretations and difficulties in enforcing price control orders and things of that kind which must have some kind of specialized treatment.

The Chief Justice of this Emergency Court of Appeals, a veteran Federal judge, appeared before this committee. He told us that this was not a star chamber court, a court that sat only in Washington; but they were ready and willing and anxious to travel all over the United States and hear cases with much greater rapidity than the average Federal court of the land.

Now, we have opened up as wide as human mind can open the section for judicial corrections of complaints that have come in. There was a complaint against the 60-day uncontestable order that used to run, and we have opened that up so that it can be contested at any time. You can get into the Emergency Court of Appeals, which in effect is a specialized Federal court, at any time through channels provided herein.

I do not believe business and I do not believe the people in general want to have about 300 different interpretations on a price order, yet everybody knows that one Federal district judge could rule, for instance, that the price ceiling on corn was not correct at \$1.07 and that it should be \$1.12. Imagine what effect that would have in this nation, with its interlocked economy. You would not have any more price ceilings on corn at \$1.07 and you would not have any at \$1.12, because speculation would take effect.

Take many, many other prices, perhaps ruled invalid by one court. Business would be uncertain while waiting for the long, tortuous process to go through the regular courts of appeals, from the circuit courts to the Supreme Court. There would not be one single businessman who could buy his stock of merchandise with any degree of certainty whatsoever that the price he was buying to sell it at would be valid or invalid. He would have the interpretation of 1 Federal judge holding one thing and he might have 20 or 30 or 40 other courts holding a different thing.

So enact this amendment and take away a uniform jurisdiction such as the Emergency Court of Appeals now has. Take this away and you will have economic chaos in this country as far as business knowing what its prices will be or what the legitimate ceiling on the goods it has to sell will be. This uncertainty is dangerous to business.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is not the result of the decisions of this court that we have a final decision right in the court of first instance instead of waiting until the Supreme Court passes on the question?

Mr. MONRONEY. The gentleman is exactly right, except that the Supreme Court can pass on the question after the Emergency Court of Appeals has ruled.

This amendment is even more far-reaching than the proposed bill of the Smith committee, which allows a person to go into a district court and try his case and then appeal to the Emergency Court of Appeals, which at least would give you some unified holding. Under their amendment the district court decision would be suspended until heard by the Emergency Court of Appeals.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. Under this amendment as I understand it, when the jurisdiction of the district court attaches it is exclusive. There are 85 district courts in the United States and 11 circuit courts of appeal, the decisions of each one of which might be different from the others.

Mr. MONRONEY. That is true. You would have economic chaos, without knowing what a ceiling was unless you knew what court it was being held in.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman inform the House whether or not the judge who appeared before your committee gave any record of the number of decisions in favor of the protestants and those rendered for the Government?

Mr. MONRONEY. It is in the first book of the hearings. I do not have it with me. Judge Maris testified and was very frank. He showed great understanding of this problem. He at least convinced our committee that they were handling these matters in a strictly impartial judicial way and getting action, which is the cornerstone of a legal test.

Mr. DONDERO. Can the gentleman give the number to the House?

Mr. MONRONEY. I cannot give the number out of my head. It is in the hearings.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while the gentleman from Wisconsin [Mr. DILWEG] is looking for the testimony of Judge Maris giving exactly the figures on the number of cases, may I say to the gentleman from Michigan in response to his question that Judge Maris was asked specifically about that. An interesting thing is that the impartial character of the court is shown not so much by the number of cases decided either in favor of the O. P. A. or the petitioner as by the number of cases that were dismissed on the motion of the petitioner himself, indicating that the parties had reached an agreement. The Judge emphasized that factor in response

to a question asked by a member of the committee.

The gentleman from Wisconsin has found the figures, and I am glad to give them to the gentleman from Michigan. There were 141 complaints filed up to May 5, 1944. Ninety-nine of those were in price-control cases, and 42 in rent-control cases. Deducting additional complaints in consolidated cases, 19, less the total number of cases, the consolidated cases being counted as 1, left 122. Then there were deducted the cases dismissed, by agreement 42, which is the type of case to which I have referred, for failure to prosecute, 1, and on motion of Price Administrator before filing of answer, 9. Then there were the cases in which additional evidence had been ordered but supplemental transcript had not been filed, 9, and cases which were not ready for hearing because all pleadings or briefs had not yet been filed, 22. This left cases heard on their merits, 39, cases heard but not yet decided, 5, and cases heard and decided on their merits, 34.

I recall one figure that was given. The statement had been made that only two cases had been decided for petitioners. Judge Maris said that seven had been so decided after a full hearing of those cases.

The significant figure, I think, is that so many of these cases were dismissed on motion of the petitioner, and that was after discussions between the attorneys and the O. P. A.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. DONDERO. How many cases were decided in favor of the Government? There were seven cases in favor of the petitioners.

Mr. HAYS. As I recall, there were some 20 or more of them. I would be very glad if the gentleman from Wisconsin, who is going through the hearings, would get that figure for me. Yes, 27 of them.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. FOLGER. Is there any possibility or suggestion that this court, appointed by Chief Justice Stone, is any part of the Office of Price Administration or inclined to partiality toward them or against any citizen?

Mr. HAYS. There was no proof of that before our committee. It certainly occurs to me that the evidence was all to the contrary. I am sure the committee was very greatly impressed by the judicial point of view which Judge Maris himself exhibited.

Mr. FOLGER. Is it the gentleman's opinion that this amendment if adopted would substantially disrupt and disorganize the whole procedure this committee has worked out?

Mr. HAYS. It is.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. MURDOCK. I have heard the term "kangaroo court" used here several

times in discussions on this bill. Not being a lawyer and not knowing many lawyers in O. P. A., I am wondering about that. What is the gentleman's opinion concerning the men who make up this special court, the Emergency Court of Appeals, and also of the attorneys generally who represent the Federal Government in O. P. A. throughout the country?

Mr. HAYS. The term "kangaroo court" was never applied to the Emergency Court of Appeals. Its procedure was never characterized in that way by any witness before our committee, if I recall the testimony correctly. Those were references to certain enforcement committees appointed by O. P. A.

Mr. MURDOCK. Yes; I understand that. I am really asking two questions. What does the gentleman think of the lawyers and legal procedure of O. P. A.? What is the gentleman's opinion as to the men who make up this Emergency Court of Appeals? Are they generally high class?

Mr. HAYS. Personally, I have the highest respect for the members of the Emergency Court of Appeals, and that is based partly on the testimony before our committee. As to the O. P. A. lawyers, I must advise the gentleman that the Legal Division was broken up by Mr. Bowles and its members transferred to administrative divisions. My impression of the lawyers from O. P. A. who appeared before the committee was a favorable one.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The Chair feels it would be only fair to call attention to the fact that only 15 minutes of debate remain on this whole section, and there are four other amendments to this section on the Clerk's desk.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

I wish to reflect, if I can, the views of many Members who find their people have been so oppressed by O. P. A. regulations that they are anxious to give them their proper day in court.

As to the Emergency Court of Appeals, I agree that the Emergency Court would seemingly be set up largely for the benefit of the O. P. A. in support of its rules and regulations. Some speakers offer the defense that comparatively few protests have been filed, but I believe in this land of ours many people would like to make a protest, but would not think of doing it if they had to appeal to that court. I wonder if those cases cited came from large businesses which might afford to employ able attorneys and which could bear the expense. I do feel that I want to assist the little businessman in bringing his defense in the local court. "Hold the line"—that order went out and as a result prices were frozen and little attention could be given to increases in cost of production. Thousands of our citizens suffered from that order.

It is not to be wondered at that so many amendments have been offered. Although we desire proper price control, we want to protect our people as best we can. But in the matter of judicial review, why argue that it will ruin the

price structure? Price control, yes; but why try to dictate prices on all commodities? I sympathized yesterday with the suggestion as to a limitation of 61 items. We should not attempt to take over too much. It cannot be done successfully. I know what many Members are trying to do. They are attempting to protect their people. It is difficult to understand all these amendments that are being offered. No one wishes to wreck price control. But we do want our people protected from severe punishment for innocent violation.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MORRISON of North Carolina. Does the gentleman mean to reflect upon a court selected by Judge Stone from the district court and circuit courts of appeals of the Nation, and charge that that court, which was selected from such a personnel, was created in order to become a corrupt tool of the O. P. A.?

Mr. GIFFORD. I do not reflect at all upon the court. But I have thought that the emergency was written into the act so that it would be rather a defense for the O. P. A. I do not belittle the members of the court by any means.

Mr. MORRISON of North Carolina. That is what you charge.

Mr. GIFFORD. No; I will say that I think all the members of the court are saints, if it will reassure the gentleman. I make no reflection on the personalities of the court. Not by any means.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last two words, but I will not use the 5 minutes.

The CHAIRMAN. That is what the gentleman from Massachusetts [Mr. GIFFORD] said, but he used the 5 minutes. The Chair will state there are four more amendments at the Clerk's desk to this section and only 10 minutes remaining. If all the time is going to be taken on one amendment, then the gentlemen offering other amendments will not be able to be heard at all on their amendments.

For what purpose does the gentleman from Texas [Mr. RUSSELL] rise?

Mr. RUSSELL. Mr. Chairman, I stood up when the first 12 Members stood up for time when the Committee limited the time. We did not have an opportunity to speak in the general debate on the bill and did not get the chance to speak, and now they have come in and taken most of this time and we are deprived of the privilege of speaking on a matter on which we think our constituents are entitled to have our view recorded.

The CHAIRMAN. There are only two ways in which the time can be limited in the Committee of the Whole. One is by unanimous consent; and everybody certainly has the right to object if they want to object. The only other way is by majority vote of the Committee; and when the majority votes to close debate, certainly that is fair.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division demanded by Mr. SPENCE there were—ayes 87, noes 91.

Mr. DIRKSEN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. MONRONEY and Mr. DIRKSEN to act as tellers.

The committee again divided; and the tellers reported there were—ayes 127, noes 115.

So the amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment which is at the desk. In fact there are two of them. Inasmuch as the time is limited I ask unanimous consent that the amendments may be printed in the RECORD and that the reading of them be waived and a vote be taken without debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

The CHAIRMAN. Does the gentleman desire the amendments considered en bloc?

Mr. HOFFMAN. I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman that the amendments be considered en bloc?

There was no objection.

Mr. OUTLAND. May I ask how many amendments the gentleman is asking to have voted on at once?

Mr. HOFFMAN. There are just two of them.

The amendments are as follows:

Amendment offered by Mr. HOFFMAN: Pages 16 and 17, beginning with line 8, strike out section 6, down to and including line 10 on page 17, and insert the following:

"REVIEW

"Sec. 204. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c) or in the United States district court for the district in which the protestant resides or conducts his business or in the United States District Court for the District of Columbia, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably

have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereof except that on request by the Administrator, any such evidence shall be presented directly to the court."

Amendment offered by Mr. HOFFMAN: Pages 17 and 18, beginning with and including line 11 on page 17, strike out down to and including line 22 on page 18 and insert:

"(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with the law, or is arbitrary or capricious. In the event that the person aggrieved by the denial or partial denial of his protest elects to file a complaint in a district court, then the effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of 30 days from the entry thereof, except that if the judgment is appealed within such 30 days to the Emergency Court of Appeals, the effectiveness of such judgment shall be postponed until an order of the Emergency Court of Appeals disposing of the appeal becomes final, and no judgment of the Emergency Court of Appeals rendered in a suit under this section or under section 305 enjoining or setting aside in whole or in part any regulation, order, or price schedule shall become final or effective until the expiration of 30 days from its entry except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court."

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan.

The amendments were rejected.

The CHAIRMAN. Are there any further amendments to section 6? The Chair understood the gentleman from Wisconsin [Mr. DILWEG] desired to offer an amendment at this point.

Mr. DILWEG. I withdraw it, Mr. Chairman.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. OUTLAND. I do not intend to take the 5 minutes. I simply want to make a brief statement.

Yesterday the ranking minority Member on the Committee on Banking and Currency, the gentleman from Michigan [Mr. Wolcott] made what seemed to me to be a very eloquent and very much of an American appeal to this House not to do things which would wreck the entire price-control structure. By the amendment we have just agreed to in committee it is my opinion that we have taken a very big step in doing just that. If we want to do anything to make price

control unworkable, the amendment which we have just adopted is going to go a long way toward that objective.

I hope that when we go back into the House we will consider very carefully what we have just done and all of its possible consequences.

The Banking and Currency Committee considered carefully the many amendments relating to court procedure, and brought forth a bill designed to throw adequate safeguards around the individual without at the same time breaking the price-control line. I am certain that my friend the gentleman from Illinois [Mr. DIRKSEN] did not intend this amendment to be a crippling one in any sense of the word, and yet that is exactly what it is. The only way to hold the line, ladies and gentlemen of the House, is to hold it. This amendment, coupled with others that have already been accepted in the Committee of the Whole, will make price administration completely unworkable in this country. I for one intend to do everything possible to defeat these amendments when we have the opportunity for a roll call vote; I want to stand up, and be counted as among those who refuse to bend to special interest groups but rather place first of all the interests of our Nation.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RUSSELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, one of the greatest things to the American people is the inscription on the front of the United States Supreme Court Building, which inscription reads, "Equal justice under the law."

In the beginning of our Government we created three separate branches of government. One of those branches was the judiciary, to interpret and pass on the laws made by the legislative branch. If I believed, as some of the Members believe who have spoken this morning, in the injustice rendered by such courts as established by the Congress, if I believed that those courts would not hold justice under the law, as some of you have indicated, I think the Congress is derelict in its duty in not destroying every one of them which they can destroy by legislative action, and on the other hand ask for a constitutional amendment to destroy the rest of them.

I believe in the courts of the land. I believe in every judge who is on the bench. Although there are some 70 districts scattered all over the country, I believe when a question of this kind comes before them they will hand out justice under the law. I am going to assume that until the contrary appears. That is a presumption of law.

When the courts pass upon a law which has been enacted by the Congress they must take into consideration, according to the procedure established for the courts, the intent of the Congress in so enacting the law. So if this body is

not afraid of the law which they are passing today, then why are you afraid of the judges that have been established by this Congress and by the executive branches of the Government? It is not everyone who has a monopoly on patriotism. We are all for the war. That is the main theme. We are all suffering. I am at a low ebb today. Since I have been sitting here I received a telegram from my sister informing me about one of the finest boys I ever knew, a son of my best friend, who came to Washington with me. The boy is missing in action. And another little red-headed boy who lived across the alley from my home, missing in action. Beside, I have lost relatives in this conflict, I stand four-square for everything to win the war. But to say you cannot get justice under the law from the judicial branch, I cannot go along with that. I believe in that American traditional ideal that a man shall have his day in court, and that he will get a fair deal there, and the Government will get as fair a deal as they will from a special court that they propose to set up. According to the gentleman from Arkansas [Mr. HAYS] a judge of that special court was before the committee lobbying for this bill. I am sure you did not find any district judges or circuit court of appeal judges there lobbying for the bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. MAY. I was very much impressed by the gentleman's statement with respect to the inscription on the front of the Supreme Court. Does not the gentleman recall that when this bill was originally passed and the question came up as to what should be the tribunal to which an appeal could be taken it was argued that we ought to take it out of politics by putting it in the power of the Chief Justice of the Supreme Court to make the appointment of the judges rather than the President and remove all politics from it? Does not the gentleman believe that was a good provision?

Mr. RUSSELL. No; I cannot agree to that. I would rather risk the regularly sworn and I might say ordained judges who are honor bound, who are oath bound, to render justice under the law, that law which is defined as a rule of action commanding what is right and prohibiting what is wrong, according to the procedure set out. One of those things that we want to do is to see that there is no wrong committed without a remedy for it. Yes; I am for the American ideal that every American citizen shall have his day in court.

The CHAIRMAN. The time of the gentleman from Texas has expired; all time has expired.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the Record.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 18, after line 22, insert:

"Sec. 7. Effective with respect to proceedings instituted after June 30, 1944, section 205 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(c) Except as provided in subsection (f), the courts of the several States and Territories shall have jurisdiction of criminal proceedings for violations of section 4 of this act, to the extent, in the case of any such court, that such court would have jurisdiction if such violation constituted an offense against the State or Territory, and also have jurisdiction of all other proceedings under this section. In any case in which under the laws of a State or Territory, there is no court of such State or Territory, which can exercise the jurisdiction of criminal proceedings or other proceedings, as the case may be, conferred by this section, then the appropriate district courts of the United States shall have jurisdiction of such criminal proceedings or such other proceedings, as the case may be. Except as provided in this subsection and in subsection (f) the district courts of the United States shall not have jurisdiction of any proceeding under this act instituted after June 30, 1944. No right, benefit, or privilege the granting of which is under the control of the Administrator pursuant to this act, or otherwise, shall be denied, suspended, or revoked by reason of a violation of any law or regulation, unless such person has been convicted of such violation, or has been found to have violated such law or regulation in some other court proceeding to which such person is a party."

Renumber the remaining sections of the bill accordingly.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to give local State courts jurisdiction over criminal proceedings provided for as a violation of law in this act. Where the State courts cannot assume jurisdiction it takes the criminal cases into the Federal district courts. My purpose in offering this amendment is to give local people an opportunity to have their criminal cases tried in local State courts.

I have had some experience in our State with the kangaroo court system which has been in operation; in fact, scores of small creameries in the State of Minnesota were taken into the kangaroo courts and assessed penalties and threatened with additional proceedings unless they paid the damages assessed by this so-called O. P. A. kangaroo court.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. WOLCOTT. The gentleman means that the Office of Price Administration through their agencies threatened criminal proceedings against people if they did not pay a sum of money.

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. WOLCOTT. Does the gentleman know that if that is the case any person against whom such threat is made can file a complaint with the district attorney of any district that the officer of O. P. A. is guilty of compounding a felony and extortion?

Mr. AUGUST H. ANDRESEN. When I faced the O. P. A. kangaroo court official with this accusation he denied it, but in talking to this little creamery op-

erator whom I have every reason to believe told me the truth, he said "he was told that unless he paid the penalty which the kangaroo court had assessed against him he would be haled into district court under criminal proceedings."

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GWYNNE. Is it not true that for years this procedure has been going on where they tell you if you do not do something in a civil court you will be prosecuted in a criminal court? And is it not true that the Department of Justice has put the stamp of approval on it?

Mr. AUGUST H. ANDRESEN. That is undoubtedly correct. In these so-called kangaroo proceedings to which I refer, the enforcement officer in our area for the O. P. A. stated that they certified these settlements of penalties to the district court for approval.

It seems to me that when there are petty and unintentional violations of O. P. A. regulations these local people should have an opportunity to go into their local courts rather than to be compelled to come to Washington or even to go into the Federal courts in the respective district. They are surely entitled to this remedy and the only remedy they can get and avoid a lot of unnecessary expense—and they cannot afford to spend a lot of money—is to have this chance to go into their local State courts in order to get justice.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COOLEY. Is the gentleman's amendment applicable only to criminal cases, or does it apply equally to civil and criminal cases?

Mr. AUGUST H. ANDRESEN. I think my amendment is broad enough to cover rationing penalties but it was designed to deal with criminal cases.

Mr. COOLEY. Is there any reason why the gentleman's amendment should not cover both civil and criminal cases?

Mr. AUGUST H. ANDRESEN. No; there is no reason, but I am referring particularly to the criminal cases where they have criminal prosecution because of unintentional violations of price ceilings.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I yield gladly.

Mr. DONDERO. Can a person be tried in a local State court under a Federal statute?

Mr. AUGUST H. ANDRESEN. There are a great many States wherein that can be done.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. O'HARA. The gentleman is trying to maintain the right of the citizen to a trial in the courts on a criminal prosecution; is not that the gentleman's purpose?

Mr. AUGUST H. ANDRESEN. That is correct, a trial in his local courts.

I urge the adoption of this amendment in all fairness to bring justice to the people.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman—

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. HAYS. I take this moment solely for the purpose of answering the statement of my good friend the gentleman from Texas [Mr. RUSSELL] to the effect that Judge Maris was here lobbying for the bill. I believe that the gentleman did not intend to convey the impression that Judge Maris was acting improperly. Judge Maris was certainly not lobbying for the bill in his statements to our committee. He came in response to a request from the chairman of our committee. He spoke with a most judicial attitude and stated at the conclusion of his testimony that he was making no recommendations; he was simply prepared to accept whatever legislative instructions might be embodied in the law for his court.

Mr. SPENCE. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Kentucky.

Mr. SPENCE. May I say that I invited Judge Maris to appear before the committee and he impressed us with his judicial manner and attitude. He is an excellent judge as his actions as a judge have indicated.

Mr. WRIGHT. I thank the gentleman.

Mr. Chairman, with reference to the particular amendment pending, may I say that it was not submitted to the committee for its consideration. We already have two separate judicial procedures, one set up by the committee and the other by the Dirksen amendment just passed. I personally have not been able to reconcile both of them in my mind yet to find out what the bill would really mean and now we have a third provision introduced which has rather complex, far-reaching implications. I do not think anybody in the committee at the present time will quite understand the amendment without studying it. I repeat, the amendment sets up a judicial procedure which is new and which was not submitted to the Committee on Banking and Currency. It is extremely dangerous if we attempt in the Committee of the Whole today to legislate on a complete new judicial procedure, a delicate and involved matter which can only be resolved after hearings and consideration by the legislative committee which has the bill in charge.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. It would help remove some doubt about these amendments if we had the opportunity to read them. Often we have to go to the desk. We never hear them until the Clerk reads the amendments. We cannot legislate wishful thinking around here or else we are apt to find we have a bill we do not want.

Mr. WRIGHT. I agree with the gentlewoman from Illinois. I am not going to vote for all these amendments in the hope some of them may turn out to be good, and in the meantime vote for a lot of amendments which might possibly be bad and wreck the procedure and enforcement of O. P. A.

Mr. WOLCOTT. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I do not know whether the Committee understands what it has done by the Dirksen amendment or not, but it has, by the adoption of that amendment, superseded all of the language in section 205 of the bill.

Mr. WRIGHT. May I ask the gentleman concerning that: Was the Dirksen amendment offered as a substitute for section 205, or does the gentleman mean that the effect of the amendment is to supersede section 205?

Mr. WOLCOTT. The effect of the amendment is to supersede the review position of the act. It sets up an entirely new procedure and eliminates the necessity for continuance of the Emergency Court of Appeals.

Mr. WRIGHT. Yet the provisions which have been studied by the committee for weeks as to the Emergency Court of Appeals are still in the bill. So you have two conflicting judicial set-ups and procedures outlined in the same bill at the present time, and now the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] attempts to initiate a third one.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to make a few suggestions in regard to this matter as I see it. We can all understand why a majority of the House is so keen to see that every person has his day in court and that he has that day in court under proper circumstances. One thing we are apt to forget is that a person who is accused by some official of the Government for violating the law finds himself in conflict, not with one person, not with one community but with all the power of a great Government such as the United States; in other words, all the power of 135,000,000 people is brought to bear against him. Witnesses may be brought by the Government from every corner of the earth practically, certainly from every part of the United States, and from many countries by treaty arrangement. The most eminent counsel may be retained and the great powers of the Department of Justice are brought to bear to convict. They have every advantage. The farther away from home the honest man is hauled before a court the more danger he is in of being convicted. I do not think that anyone can question the soundness of that logic.

I have not studied the pending amendment carefully, but I have listened to the fine presentation on its behalf by the distinguished gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and I can see exactly what he is aiming to do. Here is an honest man in a community; he is

known in that community to be honest and the last man in the world to cheat his Government; when he comes to Washington he finds himself faced by an entirely different type of person to pass judgment on his character. The official in Washington wants to make the businessman charged with a violation out as a criminal, but the law presumes every man innocent until he is proven guilty. He ought to have every benefit of that phase of the law.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Will the gentleman state specifically whether or not this amendment gives the person charged with the crime the opportunity to be tried before a judge in his own district? Is that all it does?

Mr. AUGUST H. ANDRESEN. In States where they can hear Federal cases in the State courts, if it is permissive, then the local State court can take jurisdiction of the criminal case, but in those States where they will not hear Federal matters, then it goes into the Federal district court of that State.

Mr. SUMNERS of Texas. Is that all the amendment does?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. REED of New York. In conclusion may I say the nearer we can keep these proceedings involving honest men to their homes, the better chance he has of getting justice.

Mr. SHORT. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Missouri.

Mr. SHORT. If the person is actually guilty he wants a change of venue in order to get just as far away from home as he can.

Mr. REED of New York. There is no question about that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I hope we will pause for a moment and consider just where we are going. The amendment offered by the gentleman from Illinois [Mr. DIRKSEN], is of such a nature that from a practical angle if it should be made a part of this bill as finally enacted into law it will seriously impair the very purposes of price control through the ability to use the courts in order to prevent the effective operation of price-control legislation. The amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], goes even further in that direction.

Mr. Chairman, we are considering a wartime measure, and may I say to the gentleman from Texas who spoke about the inscription over the Supreme Court Building, "Equal justice under the law," that we all agree with that. I know of no American who does not subscribe to that. But what justice under the law will we have if we lose this war? We are considering here legislation that is not applicable to normal peaceful times; we are considering legislation born of the war

emergency, legislation which is just as necessary and essential as the implements and machinery of war are to our boys who are now fighting on the far-flung battlefields of the entire world. Of necessity we cannot have orderly processes of peacetime conditions, yet we must, in meeting the emergencies, strive as far as possible to protect the rights of our citizens. However, over and above everything else is the duty and the necessity of preserving the United States of America.

All of these arguments that are applicable under normal conditions are not applicable, or most of them are not, under the atmosphere of today—wartime conditions. This bill is a bill to control and prevent inflation, not a bill to bring about inflation. The curbing and controlling of inflation is necessary as a wartime measure.

I am afraid that we are turning this bill into a bill to bring about inflation. The control of inflation is threefold, as I see it: One, legislative; two, administrative; and three, psychological, on the part of our people. We are engaged in the first step, the legislative part. So far as criticism of defects in administration is concerned, I welcome them, and I think it is admirable to see Members criticized for administrative weaknesses in a constructive way. But let us not forget that we are legislating for a wartime situation and to meet wartime exigencies. While this may be considered as applicable to the Congress of the United States and to our people, it has its effect abroad. It is just as essential a part of our war effort as the production of tanks, airplanes, and the induction of our boys. Certainly we must have the courage to make sacrifices, to resist pressure groups, just the same as the young men who are wearing the uniform have made the sacrifices of their lives in Italy, in Normandy, and the Far East, and who are now fighting to preserve America.

So, I beg of you, my colleagues, to not lose sight of the fact that this is a wartime measure, born of wartime conditions. We are legislating in response to wartime exigencies, and our considerations and thought must be prompted by those circumstances. Above all, we must have price-control legislation. Other amendments will be proposed, such as the Pace amendment and the Brown amendment, and if either one of those amendments are adopted we might just as well throw up our hands and say that so far as this bill is concerned, it is no longer a bill aimed to prevent inflation but a bill that will bring about inflation by congressional action.

Mr. DONDERO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, yesterday when we began our session the able and distinguished member of the Banking and Currency Committee, the gentleman from California [Mr. OUTLAND], took 10 minutes to scold the House for what it had done last week in adding certain amendments to this bill. Today he again took the floor to say something and comment on the amendments which had been offered and which have been adopted by the House. He expressed fear that the

present bill might be weakened and price control adversely affected.

There is some merit in the comments which the gentleman made. I want to say, however, that what has been done and the amendments which have been added to this bill is nothing more nor less than an expression of the dissatisfaction and resentment on the part of the American people, through their elected representatives, not against price control, but against the administration of price control. Some of the amendments adopted, I believe, strengthen the bill and will make it more just and equitable. I voted for some of the amendments and against some amendments.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from California.

Mr. OUTLAND. I hope the gentleman did not mean exactly what the word "scold" usually implies. I took the floor yesterday, and I made my remarks today to hope and beg of the Members of this House that they would not let resentment or prejudice or partisanship or anything else stand in the way of a decent price-control program.

Mr. DONDERO. No one will disagree with that statement. We all support price control. We are in favor of it. I voted for the Emergency Price Control Act in the first instance. I am going to vote for this bill because it is my opinion that the committee has corrected many abuses which grew out of the present act and improved price control in the bill before us.

As some proof and evidence of what I just said about the expression of dissatisfaction by the American people against the administration of price control, I would like to read two or three sentences from a statement that has come to my desk from the Taxpayers Association of the City of Detroit. Just listen to this:

In addition to this, the O. P. A. has expended great quantities of energy going about trying to stir up trouble between tenants and owners; it has been known to canvass buildings without a request from anyone trying to find a tenant who could be induced to complain about something.

For some peculiar reason, the O. P. A. throughout its administration of rent control, has, at least in Detroit, tended to regard all landlords as in some especial manner the enemies of the state or society; and all tenants as wards and privileged children. Thus owners have been treated with bitter hostility; their most reasonable requests have been denied or ignored; their plight has been maligned and their motive slandered—all at the taxpayers' expense.

It is that kind of treatment of citizens and property owners, that has brought about such universal dissatisfaction everywhere, and particularly in my section of the State, against the administration of price control. I want to be realistic, the same as the gentleman from California, and say this: I realize we have to have price control in wartime, but if this bill is loaded down with amendments that will destroy price control and bring about a veto, and the Congress will sustain the veto of the President, it means that we will return to the present

law, and price control will remain upon the country for another 6 months, and the benefits and improvements provided for in the bill now before us will be denied the American people. It is either the bill before us or a continuing resolution of the present law.

Therefore, I believe, that we would be doing a wise thing and helping our people by adopting amendments very carefully, if at all, and vote for the bill that we have before us, in order that the people might get some relief from the present administration of price control.

Mr. OUTLAND. I thank the gentleman for the statement he has just made, and I think it is one that almost all the members of the committee would agree to heartily. The committee tried to bring forth a bill that would meet a great many of these objections that have arisen against price control throughout the United States. While I certainly would not contend by any means that the bill is perfect in the field of rent control, in the field of judicial review and in other sections, we did the best we thought possible, trying to bring forth a bill that would correct those considerations.

Mr. DONDERO. In the administration of price control, they must consider the citizens of this country honest and law abiding instead of dishonest. They want to be law abiding, and they should not be treated as criminals, but that is the attitude that price control has taken against a large section of our people, and which has brought on this resentment against price control in the United States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If it is the sense of the House, after all the hearings which have been held, and the debate on the floor in the last several days has been a sufficient spanking to all of us, including the O. P. A., then when the amendments are called up for final adoption, they can all be eliminated on the roll call.

Mr. DONDERO. They may be ironed out in conference, if adopted by the House acting in the Committee of the Whole.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have listened with a great deal of interest to the words of the majority leader, the distinguished gentleman from Massachusetts [Mr. McCORMACK], in regard to preserving the United States of America, and also acknowledging the right to criticize administrative weaknesses.

Mr. Chairman, one of the reasons I took the floor yesterday to give to this House the record of Mr. Tom Tippet and Mr. Tom Emerson and Shad Polier, was because of the abuses that have been going on under O. P. A., that have provoked the numerous amendments that have been offered to this bill.

When a man is ill and he seeks the services of a doctor, the doctor diagnoses his case and tries to find the cause of his illness, and then proceeds to eliminate the cause. I want to relate an experience that took place in my office not so long ago when one of the head offi-

cials of the O. P. A., in the Price Control Division, called me up and asked for an interview. I had never heard of or met this man before he came to see me. He sat there one evening for two and a half hours and told me one of the most amazing stories I had ever listened to in all my life in regard to what was going on in O. P. A.

Toward the conclusion he said this:

Congressman, you may think it is strange that I should be up here telling you these things when I admit to you openly that I have been a party to and a part of this bureaucratic domination of O. P. A. ever since its inception. The reason I am up here talking to you this way is that this whole thing has gone so far in O. P. A. to undermine and destroy our representative constitutional form of government that I am scared myself. That is the reason I am up here.

He went on to say that while he was delegated the responsibility of setting prices in that particular division he did not have a word to say about it, because he had to send his orders up to some one of the long-haired professors or the palace guard to get their O. K. on it before he could send it out.

Mr. Chairman, that is the reason why the people are revolting against the administration of O. P. A., because men like Tom Emerson, Shad Polier, and Tom Tippet are in their way attempting to remake our form of government that you and I enjoy, without an open, armed revolution. They have succeeded much further in their efforts than most people realize. There is one thing about it, sooner or later you will have to recognize the fact and meet the issue. You are not going to hold the line of our republican form of government by pussy-footing or appeasement, you are going to have to stand up and fight and fight hard.

I am for price control, I am against inflation, I am also for the Constitution of the United States of America, and our representative form of government.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. What position does Mr. Emerson hold with the O. P. A.?

Mr. BUSBEY. Mr. Emerson is the Deputy Administrator for Enforcement, at \$8,000 a year. May I invite you to read the record of Tom Emerson, Shad Polier, and Tom Tippet, you will find it in yesterday's RECORD. I put it there yesterday.

I still insist that the trouble is not the price-control law but with the kind of men administering it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The amendment was rejected.

Mr. COMPTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COMPTON: Page 18, after line 22, insert:

"SEC. —. (a) Any person aggrieved (otherwise than in his capacity as an officer or employee of the United States, or as a member of the land or naval forces of the United States) by any order, regulation, decision,

directive, or other action of any war agency (as defined in subsection (b)) may, unless the law pursuant to which such action was taken specifically provides a method of judicial review of such action, obtain a declaration of rights in respect of, and an order enjoining the enforcement of, such action in the circuit court of appeals for the circuit in which such party resides or has his principal office or place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court a petition for such declaration and order. Upon such filing, a copy of the petition shall be served forthwith upon the head of the agency concerned, and thereupon such court shall have exclusive jurisdiction to affirm, or, if the action of the agency is not in accordance with law, to enjoin the enforcement of, and declare rights in respect of, such action, except that the court shall dismiss the petition unless it determines that the petition has used due diligence in seeking to have the action corrected by the agency concerned and that the petition was filed within a reasonable time. If any facts are in dispute which in the opinion of the court are material, the court may take testimony with respect thereto or appoint a master for that purpose, and make findings of fact upon the basis of such testimony, or may require the head of the agency concerned to take such testimony and make findings of fact upon the basis of such testimony and to file such testimony and findings with the court. The judgment of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code.

"(b) For the purposes of this section the term 'war agency' means:

"(1) Any agency authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941.

"(2) Any agency in the Office of Emergency Management.

"(3) Any agency created by or pursuant to any law which by its terms will not be applicable with respect to any period after the present war, or after the termination of hostilities in the present war, or after a specified date.

"(4) Any agency exercising powers vested in the President which have been delegated to it, either directly or by means of a redelegation or successive redelegations."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. COMPTON. Mr. Chairman, this has been a field day for the legal profession. I as a layman appear very humbly in connection with this judicial part of the O. P. A. bill. I feared that there would be a point of order made against my amendment, but at the same time I hoped that I might have a hearing.

I have before the Committee on Military Affairs the bill H. R. 4857, which provides only for review of decisions of the National War Labor Board. I know some progress has been made here this afternoon in providing recourse to the courts, but it seems to me that my amendment here would go a little further. From the criticism that has come to me from citizens and organizations and corporations of the directives of war agencies, I think some provisions for court review for any and all who feel they are aggrieved should be made as have been made this afternoon. I also think it ought to go further than the O. P. A. and the War Labor Board. My amendment provided for that.

There may be some who feel that my amendment would retard the administration of war agencies and therefore be against the best interests of the people generally and of labor specifically as they have indicated, but I feel that it is to the advantage of labor as well as all other groups and individuals to have this recourse to the courts. The traditional American principle of being allowed a day in court is as old as the hills, and I am sure that it was never contemplated by the Congress that these edicts, directives, orders, and manifestos by men, without any restriction or recourse, should obtain.

The question is whether or not we are to continue the policy initiated these past few years and accentuated during the war, of irrevocable directives. This government by men instead of government by law should be stopped. The O. P. A., the W. L. B., and all these other war agencies would function with much less criticism and irritation if the public felt they had free and unhampered access to the courts. I am sure by the same token that the agencies themselves would be much more careful and use more discretion in their actions in the administration of their broad powers.

I trust the gentleman from Michigan [Mr. WOLCOTT] will not insist on his point of order.

Mr. WOLCOTT. Mr. Chairman, I insist on the point of order that the amendment is not germane to the bill and contains subject matter beyond the scope and the purview of the bill.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, to which the gentleman from Michigan [Mr. WOLCOTT], makes the point of order that it is not germane. The Chair has examined the amendment, and it appears that the amendment is much broader than and applies to agencies not covered by the pending bill. Therefore, the Chair sustains the point of order.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 18, after line 22, add a new section as follows:

"That no person who violates or who is alleged to have violated any provision of a regulation or order issued by the Price Administrator of the Office of Price Administration shall be subject to any penalty or sanction or the withdrawal or denial of any benefits, rights, or privileges, or otherwise be subject to discrimination, unless such penalty or sanction, or the withdrawal or denial of such benefits, rights, or privileges, or such discrimination, as the case may be, is specifically provided by law as a sanction for such violation or alleged violation."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, in all this Tower of Babel today I have heard very little about what kinds of penalties will be imposed upon the people by the O. P. A. Yet under the present law, just about anything can be done by the Administrator. My amendment seeks to safeguard the American citizen from the long fangs of the bureaucratic wolves. It embodies the provisions after the enacting clause of H. R. 1359, a bill which I introduced early in the Seventy-eighth Congress.

Now to some the keeping of a campaign pledge may not mean a lot. However, I think every man and woman in this Chamber wants to reflect the will of the people back home. I promised my district I would do something about the way O. P. A. has acted. So in order to keep that faith, in order to keep that trust, I prepared this amendment, embodying provisions of the bill I mentioned. H. R. 1359 was the first step taken in the Seventy-eighth Congress to put pressure upon the bureaucratic agencies in order to curtail their power. I hope that some sort of regulation will be put in this O. P. A. bill. I am not satisfied with the limit to which power has been given this agency. We are still answerable to those back home, and those men and women we represent are subject to the regulations that are made so fast by the thousands in bureaucratic positions. You can make light of such a proposal, but there is not a person who represents his people back home who dares meet them face to face in all conscience when the question is asked, "What have you done to curtail the power of the O. P. A.?" I hope that the House will adopt this amendment. This is the first proposal to curtail their power. There were extensive editorials upon my bill from every section of the country. One newspaper editor in the State of Maine in commenting on this bill said it was a logical step to be taken along these lines to keep the power of O. P. A. from placing the American people in the status of serfs. This amendment which I have introduced will limit the penalties O. P. A. can mete out and lay upon the citizens of this country. O. P. A. will have to come to Congress to get their authority to fix penalties, whether it be for violation of gasoline rationing, in order to curtail and take away their gasoline stamps or automobile license, or whether it be a step much more drastic.

In my remarks of yesterday I pointed out, and it was greeted with humor from some sections, that a price-control law was passed at the time of the French Revolution, the third violation of which meant death by the guillotine. I am not attempting to scare this House and say that they will go that far, but when those in authority begin meting out punishments it is only a step from a fine or a jail sentence to the supreme punishment which could be meted out should certain wild and unbridled men assume power. I hope you will protect the people of the United States by adopting this amendment.

Mr. SPENCE. Mr. Chairman, I think it is a dangerous thing to attempt to legislate on a matter of this importance through passion and prejudice. The inflationary gap is growing every day. There is a decrease in consumers' goods and there is an increase in the purchasing power of the American people. These economic conditions are growing more perilous all the time. If we take away these restraints, God only knows what is going to happen to the American people. It is important to hold our lines on the far-flung battlefronts of the world, but it is just as important to hold the

price lines here if the boys who are coming home are going to have the same advantages that their forebears had. That, I think, is the reason for these amendments that have been passed today. Usually they are accompanied by a denunciation of the bureau. None of us like bureaus. We would rather be free to do what we please. We would rather be free to assert our constitutional rights on every occasion. But unfortunately when we are fighting for the very life of our Nation we cannot do that. You have got to approach these things with clear heads and without prejudice, with the desire only to arrive at the conclusion of what is best for the American people. I hope that when we meet these amendments in the future we will not meet them in a spirit of passion and prejudice. It is easy enough to inflame the people, to talk about their rights having been taken away from them. In many cases they have. They have to be taken away from them to preserve our Nation and to preserve the future of the Constitution itself which we are fighting for today. Mr. Chairman, I ask that this amendment be voted down and all other amendments, where there is a preliminary denunciation of this bureau, because if the amendment is meritorious it needs no introductory denunciation to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 7. (a) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) \$50. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be,

may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered."

(b) The amendment made by subsection (a), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within 30 days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this act and with respect to proceedings instituted thereafter.

Miss SUMNER of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Miss SUMNER of Illinois: On page 19, line 11, after the words "such amount" strike out the words "not less than one and one-half times and not more than three times the amount of the overcharge, or the overcharges" and insert "not more than \$50 or treble the amount of the overcharge or overcharges, whichever is greater."

Mr. SPENCE. Mr. Chairman, will the gentlewoman from Illinois yield for a unanimous-consent request?

Miss SUMNER of Illinois. I yield.

Mr. SPENCE. Mr. Chairman, I wonder if we could not agree on a time limit for debate on this section and all amendments there.

Miss SUMNER of Illinois. Would the gentleman from Kentucky wait until we have a little debate and then he can so move?

Mr. SPENCE. I thought that we might agree.

Mr. WRIGHT. Mr. Chairman, I have an amendment.

Miss SUMNER of Illinois. Mr. Chairman, there are quite a few amendments. I copied them at the clerk's desk. There must be about seven amendments.

Mr. SPENCE. Mr. Chairman, can we agree on 40 minutes?

Mr. GOODWIN. Mr. Chairman, reserving the right to object, I understand there are eight amendments. Ten minutes on each amendment would scarcely leave us time, within that limitation.

Mr. WRIGHT. Mr. Chairman, reserving the right to object, I would like to proceed for 5 minutes on an amendment which I have.

The CHAIRMAN. The Chair will state there are about eight amendments on the desk on this section.

Mr. WRIGHT. Mr. Chairman, reserving the right to object, I would like to speak for 5 minutes on my amendment, and I am quite sure the committee wants 5 minutes on it.

Mr. SPENCE. Mr. Chairman, there is no desire to keep the Members from debating these amendments, but I think we must limit the time if we expect to get through with them. I will ask for unanimous consent to limit the debate to 45 minutes, if that is satisfactory, plus the 5 minutes of the gentlewoman from Illinois, which would make it 50 minutes.

Miss SUMNER of Illinois. Mr. Chairman, reserving the right to object, I notice in reading the amendments that most of them relate to this question. I think that after we finish this amendment we will more or less have cleared the air on this question of willful offense. If the gentleman from Kentucky would wait until after this amendment, I think he will be in a fair position to move for a limitation of time and perhaps get it done more quickly.

Mr. SPENCE. That is agreeable to me, Mr. Chairman.

The CHAIRMAN. The gentlewoman from Illinois [Miss SUMNER] is recognized for 5 minutes.

Miss SUMNER of Illinois. Mr. Chairman, this amendment will alleviate and remedy the complaints you have heard against being taken into court and punished for a fixed penalty, because of a damage which was not willful. This leaves it to the court who has said, "You are guilty," to say what the punishment shall be.

As you notice in this section the way this law is enforced, they let whoever buys a commodity and is overcharged go into court. As provided in this section he gets attorney's fees, he gets costs. He also gets damages which, according to this section as fixed by the committee, must be not less than one and one-half times the overcharge or \$50.

Those of you who are lawyers know the great temptation not to sue except when the overcharge is very large. So that means there is more enforcement for the large overcharges than for the small items which go into the cost of living.

My amendment is very simple. It leaves it to the court to go up to \$50 or treble the overcharges, which corresponds with the original bill. So in this case, if you adopt my amendment, when a man is found guilty a judge can look at the case. He may perceive, perhaps, that the plaintiff is a racketeer, or perhaps the defendant is a man who did not intend to overcharge. Perhaps the defendant was acting under a regulation which was so complicated that even Einstein could not understand it. The judge in that case, under this amendment, can assess a small damage, rather than as in the committee bill where they assess a man one and one-half times the damages, which might be as high as \$33,000, or you could not tell what it would be.

Mr. HARNES of Indiana. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. HARNES of Indiana. In other words, the bill as it is written and reported by the committee makes it arbitrary?

Miss SUMNER of Illinois. Fifty dollars or one and one-half times the overcharge.

Mr. HARNES of Indiana. Your amendment would make it discretionary with the court?

Miss SUMNER of Illinois. It would make it discretionary with the court, as it is in every other kind of lawsuit except in antitrust suits.

I draw your attention to the fact that the abomination of this enforcement as

I have seen it in the past, is that it acts as if a violation of a price ceiling of O. P. A. were worse than such crimes as defrauding the United States in wartime.

There have been cases which held that \$10,000 was a sufficient penalty for that. Or, in sedition cases where one man went to prison for 10 years and was assessed a fine of \$10,000. Treason, \$10,000. Under the committee bill a man might be held up for as much as \$15,000 or \$20,000 for an overcharge that he did not mean at all. To my mind this thing is so absolutely inconsistent with justice that we should not stand for it.

Mr. J. LEROY JOHNSON. Will the gentleman yield?

Miss SUMNER of Illinois. I yield.

Mr. J. LEROY JOHNSON. I know a man who overcharged for some rentals. There were 34 instances but the amount was very small, namely 25 cents per week, a total of \$8.50 in all. Under the law at the time the court felt that it was mandatory to assess a fine of \$50 for each violation; in other words, \$1,700 for a violation that was not willful and in which the amount in all was only \$8.50. Will your amendment correct that sort of situation?

Miss SUMNER of Illinois. Yes; it leaves it up to the judge. The judge is in the habit of looking at people and assessing damages. If the O. P. A. does not like it, they can appeal. That is traditional justice in America.

Mr. J. LEROY JOHNSON. Is your amendment a positive limitation?

Miss SUMNER of Illinois. No limitation at all. It says, "Not more than \$50 or treble the amount of the overcharge, whichever is greater."

Mr. HARNESS of Indiana. Then there is a limitation in your amendment?

Miss SUMNER of Illinois. Yes; the judge cannot go over \$50 or treble the amount of the overcharge, whichever is greater.

Mr. WRIGHT. Will the gentleman yield?

Miss SUMNER of Illinois. I yield.

Mr. WRIGHT. I think it might add to the information of the House if the amendment were again reported. There seems to be some confusion over what the amendment provides.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent that the Clerk may again report the amendment.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the amendment offered by the gentleman from Illinois [Miss SUMNER].

Mr. COOLEY. Will the gentleman yield?

Miss SUMNER of Illinois. I yield.

Mr. COOLEY. Is it the purpose of the amendment to permit the presiding judge to exercise discretion in assessing damages?

Miss SUMNER of Illinois. Exactly.

Mr. COOLEY. So that he might take into consideration all the facts and circumstances?

Miss SUMNER of Illinois. Yes.

Mr. WRIGHT. Perhaps my mind does not comprehend the wording of the

amendment, but, as I understand it, it would not seem to me that under the wording of the amendment the court would have any discretion. It would seem that he must of necessity apply the maximum.

Miss SUMNER of Illinois. No, no. He can make it a dollar if he wants to.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The question is on the amendment offered by the gentleman from Illinois [Miss SUMNER].

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in not to exceed 40 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky.

The motion was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 20, line 21, add a new subsection as follows:

"(c) Subsection (f) of section 205 of the Emergency Price Control Act of 1942 is amended by striking out the period at the end thereof, inserting a colon and the following: 'Provided, That, notwithstanding the provisions of section 301 of the Second War Powers Act, 1942, or any other law, no such license shall be suspended in any other manner, for any other cause, or for a longer period of time, than provided in this subsection, and no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to any provision of law other than the provisions of this act or of the Stabilization Act of October 2, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this act or under the Stabilization Act of October 2, 1942.'"

Mr. WOLCOTT. Mr. Chairman, we have had a great deal of discussion in respect to the so-called kangaroo courts. This amendment will stop the functioning of these kangaroo courts in respect to violations of the Emergency Price Control Act of 1942 and the Stabilization Act of 1942.

A practice has grown up in O. P. A. something along this line, that as a condition in the permission or license or whatever it might be called, to sell rationed or allocated goods under directive issued in consequence of the Second War Powers Act, the O. P. A., or whoever made the directive, has made it an offense to violate any order, regulation, or price schedule issued under the Price Control Act.

The Price Control Act provides that in order to suspend a license issued under the Price Control Act a warning must first be given, and then if the respondent continues to violate the regulation or order the Administrator has only one other course, a very proper course, that is to go into a court and ask for a suspension of the license based upon the violation. The court, if it finds there has been a violation of the regulation or order or price schedule or license, may suspend, for a term not to exceed 12 months, the license to sell any commodity upon which

there has been a maximum price set. Having that in mind, let us go back to the War Powers Act. The regulations under the War Powers Act provide that O. P. A. may suspend the right of a person to do business in rationed or allocated commodities upon violation for any time during the emergency.

The point is this: The abuses we have been talking about in the kangaroo courts set up within O. P. A. are that they make as a condition of the permission to sell allocated goods an agreement not to violate any of the price schedules and therefore they attempt to take jurisdiction, to take away these licenses in a manner other than is proposed in the Price Control Act. In other words, if a person sells a can of beans for 11 cents and the ceiling price is 10 cents, and it so happens that beans are being rationed, then that is a violation of the regulation under which the merchant is authorized to sell allocated materials, and his permission to sell allocated materials is taken away from him by the O. P. A. without a court hearing because he violated the price schedules.

This amendment prohibits that practice and compels an adherence to the procedure set up in the Price Control Act. To me it has been a reprehensible practice. It circumvents the clear intent of Congress that licenses be not suspended except as the result of court action. The practice is a successful endeavor to circumvent the protections which we put in the price control bill in respect to the suspension of licenses.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MONRONEY. I wish to ask the gentleman from Michigan if this works only on the duplicated matter that he had reference to, that is the tie-in of a price violation and a rationing violation; or does it interfere with O. P. A.'s rationing of commodities by themselves?

Mr. WOLCOTT. No; it has nothing to do with rationing by the O. P. A. excepting that O. P. A. is prohibited from enforcing the Price Control Act through the powers granted to them under the War Powers Act.

Mr. MONRONEY. It sounds like a good amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VOORHIS of California. Do I understand that the gentleman's amendment has this effect, to say that wherever O. P. A. is enforcing a price ceiling it must enforce that price ceiling by the methods provided in the Price Control Act?

Mr. WOLCOTT. That is right.

Mr. VOORHIS of California. Is that correct?

Mr. WOLCOTT. That is correct.

Mr. VOORHIS of California. So the net effect of the gentleman's amendment from a practical point of view—or at least one of them—would be that no suspension of business could be effective against any individual without going through the court procedure which is to be observed under the price control enforcement; is that correct?

Mr. WOLCOTT. That is correct.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SMITH of Virginia. Can the gentleman tell us in what respect this amendment differs from the amendment offered by the gentleman from Tennessee [Mr. JENNINGS] a couple of days ago?

Mr. WOLCOTT. I have not time to discuss it; I do not know; I do not remember.

Mr. SMITH of Virginia. I think it is substantially the same language.

Mr. WOLCOTT. It differs materially in verbiage, I may say.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DILWEG. Am I correct that the reference in the first part of the gentleman's amendment is to the Emergency Price Control Act and not the allotment under the Second War Powers Act?

Mr. WOLCOTT. That is right.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. AUGUST H. ANDRESEN. Are we to understand that existing law requires warning before they assess these penalties?

Mr. WOLCOTT. This has not anything to do with penalties; it has to do with suspensions of licenses to sell commodities.

Mr. AUGUST H. ANDRESEN. Take, for instance, the creameries I mentioned. These people did not have any warning, did not know they had violated the law at the time they were hauled into these kangaroo courts and assessed penalties.

Mr. WOLCOTT. That is the very practice my amendment is intended to prevent.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WRIGHT. Mr. Chairman, I offer an amendment as a substitute to the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT as a substitute to the amendment offered by Mr. WOLCOTT:

"Section 205 of the Emergency Price Control Act is amended by adding at the end thereof the following new subsection:

"(9) The district courts shall have exclusive jurisdiction to enjoin or set aside in whole or in part, orders for suspension of allocations and orders denying a stay of such suspension issued by the administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title IV of the Second War Powers Act of 1942 and under authority conferred upon him pursuant to section 201 (b) of the act. Any action to enjoin or set aside such order shall be brought within 5 days after the service thereof. No suspension order shall take effect within 5 days after it is served or

if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after the service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent without prejudice to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment on the ground that it is not properly a substitute for the amendment I offered. It has to do with the jurisdiction of the courts.

Mr. WRIGHT. Mr. Chairman, will the gentleman reserve his point of order?

Mr. WOLCOTT. Mr. Chairman, I reserve the point of order to permit the gentleman to make a statement.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman, the amendment I have offered is the amendment that was adopted in the Senate. It was adopted in the Senate as a committee amendment. I believe the gentleman from Michigan is driving at a practice and abuse which has done very much to hurt O. P. A.

There is only one difference between the remedy I propose and the remedy he proposes and I intend to leave it to the House as to which remedy it thinks is better.

The gentleman's amendment would completely prohibit what has been known as the kangaroo courts. It would prohibit the O. P. A. from suspending anybody's license to deal in rationed articles by reason of that person's violating a price ceiling. At the present time the O. P. A. ties in the violation of price ceilings with the power to deal with rationing. As the gentleman from Michigan has explained very well, these two powers are derived from two different acts.

What I propose to do is to still let them retain that power. I am not sure that I am right, but I will submit it to the House to determine that. In the past there has been no way to appeal from the action of the O. P. A.

I propose that although the O. P. A. shall retain this power, there shall be an appeal to the district court and that court shall have the right to set such a suspension of license aside.

The committee is confronted, as I say, with a choice between two remedies; one is to take away this right and the other is to subject it to judicial review by the district court of the district. I may say that in talking with several of the gentlemen of the committee, I am informed they have spoken to some of the legal counsel of the O. P. A. and the indications from there are that the method I propose is workable. At least it has been agreed to by the Senate committee. It is a committee amendment and would aid in an agreement between the two Houses.

Mr. CRAVENS. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Contrasting the gentleman's amendment with the amendment offered by the gentleman from Michigan—I do not know which one is correct—would not the gentleman's proposal put an aggrieved citizen to another and further legal action and step which he would have to take in order to protect his rights, while the amendment offered by the gentleman from Michigan, would stop them right in their tracks?

Mr. WRIGHT. The gentleman is right if you think the dealers are always aggrieved. The O. P. A. says that if a man violates a price ceiling he is an unfit conduit or an unfit distributor to deal in rationed commodities. If he does it deliberately, I think the O. P. A. is right. If, on the other hand, he does it through oversight or does it to a very minor extent, he ought to have the right to go to court and have his rights adjudicated. I would like to lean over backward and not take away from the O. P. A. any weapon which may be used to help combat price inflation, and still protect the rights of the citizen.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. I understand from a reading of the amendment proposed by the gentleman that it is required that a citizen shall waive some right of his in order that he may get justice under some other provision.

Mr. WRIGHT. The only thing he has to do is to agree that he will not violate the order while it is being tested in court.

Mr. O'HARA. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Minnesota.

Mr. O'HARA. I have marveled at these O. P. A. regulations and this bill and the 5-day appeal or limitation provision. I want to compliment the gentleman on what he thinks a lawyer could do in a complicated case in 5 days.

Mr. WRIGHT. May I say to the gentleman this provision never involves a rule or regulation. It merely involves the relation of the Government to one of its citizens, a man who has probably violated some price order. Usually it is a rather simple matter as to whether he did or not.

Mr. O'HARA. It would not take much time?

Mr. WRIGHT. I would not think so. Perhaps it might in some cases. I do not know where this amendment originated in its inception. I got it out of the CONGRESSIONAL RECORD. It was submitted by the committee in the Senate as a committee amendment and I thought it was better than the practice which exists now. Maybe the gentleman from Michigan has the right answer, I do not know.

The CHAIRMAN. The time of the gentleman has expired. Does the gentleman from Michigan [Mr. WOLCOTT] withdraw his point of order?

Mr. WOLCOTT. Yes, Mr. Chairman.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Pennsylvania [Mr. WRIGHT] for the

amendment offered by the gentleman from Michigan [Mr. Wolcott].

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The amendment was agreed to.

Mr. CRAVENS. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS: On page 20, line 21, after the period, add the following new subsection (c):

"(c) It shall be an adequate defense to any civil suit brought by the Office of Price Administration under the provisions of this act if the defendant proves that the violation of the act or of a rule or regulation issued pursuant to the act is neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, and neither the Administrator nor the Office of Price Administration nor any employee thereof shall inflict or impose penalties, sanctions, or suspension orders of any kind, remedial or otherwise, not specified by statute, and expressly delegated to the Administrator or employee of such agency by lawful authority."

Mr. CRAVENS. Mr. Chairman, a casual reading of the amendment which I have submitted to the Committee shows that whether it is adopted or not it can have absolutely no effect of increasing inflationary tendencies in this country; neither can it have the effect, as has been charged against some of the amendments which have been under consideration, of interfering in any way with the war effort.

The sole purpose of the amendment I submit for your consideration is to relieve a situation which I think has done much to bring the administration of the O. P. A. into disrepute, has done much to irritate the people of this country and largely accounts for the unfortunate reaction which we have seen here in the past few days against the operation of the O. P. A.

The first part of the amendment which I propose will prevent a situation with which all of you are familiar. I have had many complaints and I am sure that I am in a typical situation. I refer to where a claim is made that some person who either cannot understand the O. P. A. regulations or in trying to understand them misconstrues them, and makes an innocent mistake. We will all confess that a great number of the regulations of O. P. A. are difficult to understand. It is impossible for agile minds to comprehend or to know what many of them mean. Yet when O. P. A. finds a person who has unintentionally violated some rule or regulation that it has promulgated, a horde of O. P. A. busybodies swoop down on him and say to him: "You have got to do this, you have got to do that," and they threaten him, they coerce him; in fact they go so far, in my judgment, as to approach an attempt at blackmail.

Mr. O'HARA. Will the gentleman yield?

Mr. CRAVENS. I yield to the gentleman from Minnesota.

Mr. O'HARA. I wonder if the gentleman can tell us how many thousands of

regulations the O. P. A. makes each year or that it has in operation?

Mr. CRAVENS. No; I cannot.

Mr. O'HARA. It would run into the thousands anyway.

Mr. CRAVENS. I am sure it would, perhaps into the tens of thousands; but regardless of the number it runs into, you will find almost as many O. P. A. agents coming down to see you about the violation of one of them and threatening you with all sorts of dire consequences if you do not do what they say you should do.

If a person in good faith, after trying to find out what these regulations are, has tried to live up to the regulations as he understands them, or has made an honest mistake, either directly or through inability to get a certified public accountant to sell a can of beans for him at 10 cents instead of 11, and as a result of that situation violates a regulation unintentionally, then under the proposed amendment that shall be an adequate defense against charges that the O. P. A. may bring against him. In other words, it leaves the intentional, willful violator of a regulation subject to all the penalties of the law but relieves the person who has tried to do the best he can under very disconcerting circumstances to live up to these regulations. The amendment provides that if he proves he has done the best he can and has not willfully violated the regulations, then he has a good defense against prosecution.

Mr. Chairman, I do not think it is a strange doctrine in this country that before a person may be punished the person who would effect that punishment must be able to point to some lawful regulation which is violated and show that there is a penalty provided by law for such violation. All the second part of my amendment does is to provide that no penalty shall be imposed upon any citizen in any part of this country unless the O. P. A., or whoever it may be who seeks to impose a penalty, can point to some provision of law which says that what the defendant has done is a violation of the law, and points out the penalty the law prescribes for such violation.

I can think of nothing that would do more to eliminate the Gestapo activities of this agency and serve to reestablish the O. P. A. in the esteem of the American people than the adoption of this amendment. At least, it would relieve many from the harassing tactics of this agency without in any way jeopardizing the recognized essential functions the O. P. A. is exercising and must exercise.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if we adopt this amendment, we adopt an entirely new principle in respect to civil practice and procedure. The civil provisions in this bill, in which the defendant may be sued for damages, set up no different machinery than in respect to damage suits brought on any other cause of action. I do not know of any other occasion where willfulness is made the basis for a civil action in damages on an implied contract.

We have in this case an implied contract between the Government and the retailer or seller of goods on which a maximum price has been placed. The Government assumes that he will not violate the rules or regulations, otherwise his license to do business might be taken away from him.

Then we provide for stipulated damages, and we have amended it, not to exceed three times the amount of the overcharge, or \$50, whichever is greater.

It seems to me that it puts the Congress in a perfectly ridiculous light in respect to the enforcement of this act to say that anyone might have a defense that they did not intend to violate the law. In every suit for injunction, every suit for damages, every suit to suspend a license, the defendant merely comes in and he says, "I did not intend to violate the law" and the burden is immediately shifted, and instead of the action speaking for itself, that proceeding brought by the Administrator, either to prevent a violation or to suspend a license, or for stipulated damages, must turn upon whether the Administrator is able to dig into the defendant's mind to determine if he did or did not intend to violate the law. In any criminal action, of course, intent is usually one of the elements of the crime, and must be proven.

If we make intent an element in a civil action, we have done something very novel in American jurisprudence and practice, and I hope that this committee and this House will not make itself look as ridiculous as another body of this Congress did when a similar amendment was adopted by that body.

Mr. GOODWIN. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Arkansas [Mr. CRAVENS].

The Clerk read as follows:

Substitute amendment offered by Mr. GOODWIN: Page 20 after line 21 insert:

"(c) Section 205 of the Emergency Price Control Act of 1942 is further amended by adding the following new subsections:

"(g) It shall be an adequate defense to any suit or action brought under subsections (b), (e), or (f) (2) of this section if the defendant proves that the violation of the regulation, order, or price schedule prescribing a maximum price or maximum prices was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.

"(h) Nothing in this section shall be construed to deprive the courts of the power to assess against the defendant the amount of the overcharge."

Mr. GOODWIN. Mr. Chairman, the principal difference between the amendment I am offering and that of the gentleman from Arkansas is in the last section, which I will discuss in a moment. The two amendments are, to all intents and purposes, the same, and intended to accomplish the same objective.

Mr. Chairman, this is a perfectly simple and easily understandable amendment. It seeks to give to a defendant in a case involving an overcharge the right to show to the court if he can, that the violation was neither willful nor the result of failure to take practicable pre-

cautions against its occurrence. It gives to such a defendant the same right we give to the most hardened criminal—the right to his day in court. He does not have his day in court now, and I find nothing in the present bill which gives him that right.

The amendment puts the burden of proof on the defendant and is unique in that respect. There is no presumption of innocence in his favor. He must go forward. But if he satisfies the court with his statement of the case the judge may say to him, "I believe you are an honest merchant who has acted in good faith. I am not going to put upon you the stigma of a penalty." Without this amendment the court may be satisfied that the merchant ought not to be penalized, but he is bound to say to the defendant, "I am sorry I cannot hear your defense. You must pay a \$50 penalty and an attorney's fee of \$25."

Without this amendment we have a cold-blooded inflexible dictatorial, un-American rule of law. With the amendment the defendant is guaranteed that the court which hears his case will be allowed the exercise of some measure of discretion. That, after all is only simple, common, sensible justice. May I remind the committee that another body has endorsed this amendment by a decisive vote. It is not a crippling amendment. I believe it will actually strengthen the law. If we read history we must conclude that a law is only as effective as the people affected by it believe it to be reasonable. Give the merchant this affirmative defense and we will take out of the law one of those harsh, inflexible, and unreasonable provisions which have done so much to destroy the people's confidence in a people's government.

This amendment does not protect the willful violator of the regulations or the man who fails to take reasonable precautions, and that man deserves no protection. It does seek to protect the merchant who, in good faith, does all he reasonably can to cooperate, and he ought to be protected.

The amendment leaves this bill thoroughly effective against the dishonest merchant and the chiseler, but protects the honest merchant from being penalized for an honest mistake.

This amendment is vitally important to the merchants of the Nation. There are half a million of them, and they are, with few exceptions, honest, law-abiding, and patriotic. They want to cooperate with enforcement authorities and are trying hard to observe the regulations. If the Government has a right to impose price-control regulations upon them, then it certainly owes them the duty to see that those regulations are reasonable.

It has been said that if a defense is allowed a defendant he may get off by pleading ignorance of the law. That is not so. Under my amendment he must show that he knew the law and was conscientiously trying to observe the regulations. The court must be satisfied that the defendant had taken practicable precautions to guard against violation.

A merchant today is faced with unusual difficulties in getting and keeping faithful employees. The overturn is

heavy and continuous. There are confusing and conflicting rules constantly being promulgated regarding prices and otherwise. Simple fairness and justice demand that the merchant have the right to tell his story in his own defense.

The size of the penalty is not so important, although most price violations are figured in pennies, and a \$50 penalty seems too large where a merchant sells three pairs of socks for \$1.35 when the price was \$1.25. It is the infliction of the penalty as such, where the seller was innocent of wrongdoing, which is unjust and works hardship.

Every city has a number of high-class retail stores which have built up an enviable reputation for honesty and square dealing. A \$50 penalty in such cases would mean very little as one of the daily cash transactions. But the store might be damaged thousands of dollars by the circulation of the information that a penalty had been enforced for overcharging a customer.

My amendment is simple American justice, and I hope it will be adopted.

(Mr. GOODWIN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. MURPHY. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Massachusetts.

Recently a committee of the commercial association back home called on me. I have had more telegrams from leading merchants back home on this proposition than on anything else since I became a Member of this distinguished body. I told them I would speak on the floor of the House about this proposition, and I am going to use a few minutes to do so.

Over in the Senate an amendment sponsored by the distinguished gentleman from Kentucky, Senator CHANDLER, and the distinguished gentleman from Massachusetts, Senator WEEKS, was adopted along lines similar to that of the amendment offered by the distinguished gentleman from Massachusetts, Congressman GOODWIN. That amendment had for its purpose freeing merchant of punitive damage liability in consumer civil suits if they could show the overcharges were unintentional.

I realize the unfairness of not having the tools with which to enforce the law. When you generalize, sometimes you punish the good to restrain the wicked. Fundamentally it is a matter of sensible, discreet administration to punish the willful, wicked violator, not the unintentional violator. I believe with proper measures of discretion the bill as amended can be enforced justly, fairly, and equitably. I do not believe it will deter the O. P. A. from proper enforcement. It will not excuse the willful violator. I have made a check in my district and I find that the cases where there have been penalties inflicted were those involving willful violators. I do not believe the amendment will deter enforcement if properly administered. It ought to be a good change and would protect the honest merchant. I will, therefore, vote to support it.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Massachusetts.

It seems to me that, while it does make certain changes in the original amendment now pending, it contains the same principle, namely, the matter of intent. When the Committee on Banking and Currency was considering improvements on the present bill it went into a great many of these proposed changes. The change that is advocated in this amendment was brought up and finally ruled out by the committee. Such change would hurt rather than benefit the price-control program.

Mr. Chairman, I ask that the amendment be voted down.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier this afternoon.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GWYNNE. Mr. Chairman, I rise in support of the substitute amendment. I believe the adoption of that amendment or even of the amendment offered by the gentleman from Arkansas would do more to remove the criticisms and the objections to the enforcement of O. P. A. regulations than any amendment that has been heretofore offered.

I cannot agree with my friend from Michigan [Mr. Wolcott] that this has to do with some civil suit for damages. This is a provision for the collection of a penalty, a thing which every court will tell you is at least of a quasi-criminal nature.

What is the situation today? If you violate some regulation, even though the violation may be technical and minor, they can bring you into court and, regardless of your carefulness and regardless of your lack of willful intent, punish you for violation of the regulation.

What does this amendment do? The law would be the same, the procedure would be the same, except that when the defendant was brought into court charged in this quasi-criminal action he would be allowed to prove, if he could prove it, two things: First, that he had not acted willfully, and second, that he had not been negligent in taking practicable precautions against the occurrence of the violation. In other words, if he could show that he had cooperated honestly, then he would be excused from the penalty but would be required to pay the overcharge.

Mr. Chairman, where have we gotten to in this country? I read the other day a statement by some enforcement officer of the O. P. A. who said that if the privilege is extended to the innocent man to come into court with his head up like a free American and prove that he is innocent, they cannot enforce the law.

I have been a prosecutor in my day. I have heard that same argument many times from State agents and from Federal agents. It usually comes from someone who lacks the ability and the knowledge of the law to enforce the law

in accordance with constitutional safeguards.

Even with this amendment, look how this differs, for example, from the right of a defendant if he were charged with some minor crime like murder or treason. If he were charged with one of those minor offenses, the Government would have to prove each and every element of the case, willfulness, everything. The defendant would need to prove nothing. If I kill a man with my automobile and his estate sues me for damages, unless they prove that I did not use reasonable care they have no case against me. There is no liability unless negligence is proved; and the plaintiff has the burden of proving it.

But these O. P. A. regulations are put on an entirely different basis. I am amazed at the attitude that has been expressed here by some people. I thought we were fighting a war to retain constitutional government and the right to get into a court. If the people we have enforcing the law cannot enforce it in recognition of those constitutional safeguards for which we are fighting, let us have someone else do it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Indiana.

Mr. HALLECK. I have given considerable thought and study to the amendment offered by the gentleman from Massachusetts [Mr. GOODWIN] which the gentleman from Iowa is now supporting. I support the amendment. I think it is entirely justified and necessary, and I believe it should be adopted.

Mr. GWYNNE. I thank the gentleman. This is what the amendment will do. It will not interfere with the enforcement of the law against a criminal but it will protect the innocent man; that is all.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Massachusetts [Mr. GOODWIN].

The question was taken; and on a division (demanded by Mr. MONRONEY), there were—ayes 81, noes 58.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chairman appointed Mr. MONRONEY and Mr. GOODWIN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 111, noes 72.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended by the substitute.

The amendment, as amended by the substitute, was agreed to.

The CHAIRMAN. Are there any other amendments to be offered to section 7?

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA: At the end of section 7, line 21, page 20, insert:

"(c) It shall be an adequate defense to any suit or action brought for alleged violation of any regulation, order, or price schedule prescribing the maximum price or maximum

prices if the defendant proves that he did not receive a higher percentage of margin from the sale of a commodity or commodities than he received from the sale of the same commodity or commodities or for the most comparable commodity or commodities as the term 'most comparable commodity' may be defined by the Administrator during the base period prescribed by the price regulation, order, or schedule, or if no such base period is specified, during the period from January 1, 1942, to March 31, 1942."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The amendment was rejected.

Miss SUMNER of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Miss SUMNER of Illinois: On page 19, line 19, after the period strike out down to the period on line 4, on page 20; on line 5 strike out the word "either" and the words "or the Administrator, as the case may be"; and in line 13, page 20, strike out down to line 21.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. I inquire to understand what that amendment is about. Is that the amendment which prohibits the Administrator from suing for these penalties?

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry. Debate on the amendment on this section has been exhausted.

Mr. SMITH of Virginia. Mr. Chairman, then I submit this parliamentary inquiry: Is there any parliamentary method by which the committee can be given to understand what the amendment does?

The CHAIRMAN. That can only be done by unanimous consent.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois be given 5 minutes in which to explain her amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. SMITH]?

Mr. OUTLAND. Mr. Chairman, I object.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Miss SUMNER] be given 2 minutes in which to explain her amendment.

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent that I be given 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Miss SUMNER]?

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent that I be given half a minute.

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Illinois [Miss SUMNER].

The question was taken; and on a division (demanded by Mr. OUTLAND) there were—ayes 64, noes 84.

Miss SUMNER of Illinois. Mr. Chairman, I ask for tellers.

The CHAIRMAN (after counting). Thirteen Members have arisen; not a sufficient number.

So tellers were refused.

So the amendment was rejected.

The CHAIRMAN. Are there any other amendments to section 7?

Mr. CALVIN D. JOHNSON. Mr. Chairman, I offer an amendment that is a new section to follow section 7.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Provided further, That as to any powers and functions relating to priorities or rationing conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities, transferred to the Office of Price Administration pursuant herewith, no order or orders suspending a person, firm, or corporation from operating a profession, trade, or business shall become effective until after proper judicial hearings in a district court of the United States having jurisdiction, and the presentation of all cases under this act involving suspension or penalty on behalf of the Federal Government shall be by the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General.

Mr. CALVIN D. JOHNSON. It is not my intention to delay the House discussing this amendment. My purpose in presenting it for study is to ask a few questions. I am under the impression that the amendment which was introduced a short time ago by the gentleman from Michigan [Mr. WOLCOTT], and adopted by the Committee, will guarantee a review in court for anyone charged with a violation prior to the time his license is revoked or his business suspended. May I ask the gentleman from Michigan, if that is correct?

Mr. WOLCOTT. Yes; I know that it will if the license is sought to be taken from him for a violation of a regulation, order, or price schedule issued under the Price Control Act. But my amendment would not compel a review in the courts for any withdrawal of any permission to sell allocated or rationed goods under the War Powers Act. I want to make it clear that I am not trespassing upon the powers contained in the War Powers Act, in respect to rationing.

Mr. CALVIN D. JOHNSON. One of the foundation stones of democracy has been the right of the individual to operate a private enterprise. I think it comes second only to the home. What my amendment does is to make it definite that before a man's business can be closed, and before he can be deprived of the right of a livelihood he must be given his day in court, which is a heritage that every American feels he should have. It has nothing whatsoever to do with rationing. It does not take from the War Powers Act or the O. P. A. any authority which they have at the pres-

ent time, but it does give a man an opportunity to appear in the United States district court in defense of his business before he is deprived of the right to a livelihood. I feel the amendment is good. It makes court procedure definite before the doors of a business are closed. I ask the House to pass the amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. CRAWFORD. Does the amendment which the gentleman has offered apply to the proceedings carried on in the Office of Administrative Hearings, set up within the Office of Price Administration, for the purpose of dealing with violation of price orders, or does the amendment apply only to violations of price ceiling orders?

Mr. CALVIN D. JOHNSON. It would apply to any order by which a man's business was ordered closed, and the only effect would be that the day the order was issued by the rationing authority he would have an opportunity to go into court and defend himself.

Mr. CRAWFORD. In other words, your amendment applies, whether it applies to violation of rationing or violation of price ceilings under the O. P. A. Act?

Mr. CALVIN D. JOHNSON. It would. It would give a man charged with a violation an opportunity to present his defense in a United States district court.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Miss SUMNER of Illinois. At present the only way they can get into district court is by injunction. How does your amendment change that?

Mr. CALVIN D. JOHNSON. This amendment makes it definite that the United States district court is where the order shall be filed that the business be suspended.

Miss SUMNER of Illinois. You mean that immediately after the order by the O. P. A., the Commissioners have to record it in the district court?

Mr. CALVIN D. JOHNSON. Yes. They would have to file the proceedings there, and the district court would be the one to say whether or not the business is suspended.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. VOORHIS of California. The gentleman's amendment would affect only cases of suspension?

Mr. CALVIN D. JOHNSON. The gentleman is absolutely right. Only cases of suspension.

Mr. WOLCOTT. Does the gentleman intend to press his amendment?

Mr. CALVIN D. JOHNSON. Yes; I do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. Mr. Chairman, I wish to comment on the amendment.

The only thing that makes this amendment germane at all are the words "transferred to the Office of Price Administration pursuant herewith." This has to do with rationing functions, which I have stated, are under the War Powers Acts. There is nothing in this amend-

ment which so amends the War Powers Acts as to prohibit the President or anyone acting for him, from transferring those functions from the O. P. A. to some other agency. Now, as a matter of fact I am in sympathy with what the gentleman wants to do in his amendment, but it cannot be done in this way. There is not any license, under the War Powers Act, to do any business, or in respect to a trade or profession. The merchant is given permission to sell an allocated or rationed commodity. For a violation the O. P. A. may deny to a merchant the privilege or permission to sell rationed goods. They are denied the right under the War Powers Act, to deal in allocated goods. If the seller does not observe the conditions under which commodities are allocated, then O. P. A. may take away from you the permission to sell allocated goods. The Supreme Court last week held they had authority to do that.

The only way to take from them that authority is to amend the War Powers Act. I think probably the gentleman's amendment could be interpreted only as a declaration of policy. The amendment I offered and which has been accepted does something very specifically to correct the abuses to which the gentleman refers. It gets rid of the kangaroo courts in respect of price control.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CALVIN D. JOHNSON. I am hopeful the gentleman is correct, but regardless of what they call it it operates to put people out of business.

Mr. WOLCOTT. The withdrawing from him of the permission to deal in rationed goods may result in putting him out of business to be sure.

Mr. CALVIN D. JOHNSON. If he had an opportunity for a review in court there is a possibility that the court would prevent the withdrawing of the rationed articles.

Mr. WOLCOTT. It would take an amendment of the War Powers Act to do that.

Mr. CALVIN D. JOHNSON. My amendment refers to any authority. It is possible to change the entire O. P. A. procedure over rationing by virtue of the authority provided by other acts.

Mr. WOLCOTT. O. P. A. operates with respect to rationing under the War Powers Act, and O. P. A. operates under the War Powers Act merely because it is designated by the President as the agency to administer rationing. The President could take rationing away from O. P. A. and give it to any other administrative agency. To effectuate the purpose of the amendment, the War Powers Act must be amended.

Mr. CALVIN D. JOHNSON. Does not the gentleman agree that the first paragraph of this amendment relative to the transfer of authority covers that?

Mr. WOLCOTT. If it does, I believe it would not be germane to this bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Illinois. The amendment was rejected.

(Mr. CRAVENS asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

Sec. 8. The second sentence of the first section of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "The President shall, except as otherwise provided in this act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase."

The CHAIRMAN. Are there any amendments to section 8?

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order for 3 minutes to make an announcement which I believe will be of considerable interest to the Membership.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MICHENER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, for 40 long days the Committee on Banking and Currency has given consideration to these amendments to the Emergency Price Control Act. Every group was permitted to present its complaint to the committee, and these complaints and proposed amendments constitute a volume of 2,300 pages of printed matter.

The House for 6 long days has debated the bill and considered proposed amendments. I think there is general unanimity of opinion as to these conclusions:

First. The over-all effect of the O. P. A. law has been of value to our people.

Second. Price control must be continued throughout the war.

Third. Price control, regimentation, and incident regulation must be discontinued just as soon as the economy of the country will permit.

Fourth. The bill now before us is far from perfect, but is better than the law as now written.

Fifth. It is practically impossible to embody in any law all of the desires of the 435 Members of Congress. We each come from different constituencies and our problems are consequently varied. Therefore, most legislation in its final draft is a compromise or a give-and-take proposition. Since I have been in Congress I have voted for few bills that suited me exactly. The same is true of the other members.

Now, if we are all agreed that price control should be temporarily continued, then two options are open to us:

(a) Extend existing law without any change at all, or

(b) Amend existing law to make it more workable.

There should be no choice between the two alternatives.

The value of any law depends upon the manner in which it is administered. The real trouble with the price-control law is the way it has been administered. In the debate on the floor of the House on November 28, 1941, when the original bill was up for consideration, I said:

Much has been said in this debate about Leon Henderson, the President's Price Control Administrator. It is also true that many of our people believe that Mr. Henderson as Price-Control Administrator would, at the end of the war, be very reluctant to yield up any powers given to him as the Administrator by this legislation. The fact that he is so impregnated with the New Deal philosophy of making the country over and changing our social system, leads many to believe that he is more interested in permanent control and regulation over our economic life than he is in an emergency anti-inflationary measure.

Well, Mr. Henderson was made the Administrator and surrounded himself with a group of impractical, theoretical reformers, many of whom in my judgment attempted to carry out my prediction as to what would happen. There came a time when even the President recognized the necessity for a change, and former Senator Prentiss Brown was substituted for Henderson, for the purpose of humanizing the administration of O. P. A. Mr. Brown undoubtedly tried, but he was so handicapped by the crowd around him that nothing was accomplished, and he gave up in disgust. Next came the present Administrator, Chester Bowles. He has had a terrible job. However, conditions have been improved and the airing here of the ridiculousness of many of the regulations will be most helpful to him.

Mr. Chairman, people must realize that without some kind of price control there would be run-away inflation, and no one would suffer more than the middle class, to which most of our people belong. We spent only \$26,000,000,000 in the First World War. Prices went sky high. Before this war is over we will have spent \$300,000,000,000. Turning this amount of purchasing power loose in the country would bring unthought-of inflation. Therefore, there must be price control. It is silly to say that the law has been so well administered that it should not be amended. It is just as silly to say that the law can be made perfect. The Congress is not equipped to write all the rules and regulations covering the thousands of items on which ceiling prices must be placed. Rigid, fixed rules written into law would lack the flexibility necessary to accomplish the purpose of the law.

In short, Mr. Chairman, we should be realists here today. Price control must not be destroyed now. The law expires on June 30 next and unless the Congress has taken action by that time, it will be necessary to pass a resolution continuing the law without the beneficial amendments provided in this bill. Of course, those who are opposed to any amendments would prefer this course. The House, by loading this bill up with all kinds of amendments, is just acquiescing

in the desires of that group opposed to any changes. Let us be reasonable and assist the committee in securing as many beneficial amendments as possible. This is a practical situation with which we are confronted.

Many small businessmen, many farmers, many consumers, and people in all walks of life in my community have suffered personal inconvenience from the effects of price control and rationing. I hail the day when this terrible war will be behind us. I sincerely believe that when that day does come the people's representatives in Congress will see to it that unnecessary regulation, control, and regimentation are removed and that we revert to a Government of law made by the Congress rather than a law of men by executive and bureaucratic fiat. For one, I am prepared to make that fight, because if this course is not pursued the freedoms and liberty, and the type of Government we have always enjoyed, will be but a memory. God save the day!

This is a momentous year in our history. The power of decision still rests with the people. Elections are still held in America. If it is the obligation of our boys to die on the battle front, it is certainly our duty on the home front, to go to the primaries and the elections and do our part in maintaining democratic government, at home.

(Mr. MICHENER asked and was given permission to revise and extend his own remarks in the RECORD.)

The Clerk read as follows:

SEC. 9. The first proviso contained in section 3 of such act of October 2, 1942, as amended, is amended to read as follows: "Provided, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: On page 21, in line 11, after "9", insert "(a)", and after line 20, insert the following subsection:

"(b) Section 3 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"Any maximum price established or maintained under authority of this act or otherwise for any textile product processed or manufactured in whole or substantial part from cotton or cotton yarn shall not be less for any specific textile item than the sum of the following: (1) the cost of the cotton or yarn involved, plus the cost of delivery of such cotton or yarn to the point of processing or manufacturing, as determined by the War Food Administrator, (2) a generally fair and equitable allowance for the total current cost of whatever nature incident to processing or manufacturing and marketing such item, and whenever the Chairman of the War Production Board has determined such item to be necessary for the war effort or the maintenance of the civilian economy, such allowance shall be computed at a uniform figure that

will cover such total current costs in the case of any manufacturer or processor among the manufacturers or processors of at least 90 percent by volume of such item, and (3) a reasonable profit on such item, in addition to the costs computed as provided in clauses (1) and (2). The maximum price established for any textile item under this act or otherwise shall be adjusted to the extent necessary to conform with the requirements of this paragraph within 60 days after the date of its enactment. For the purposes of this paragraph, the cost of any cotton shall be deemed to be not less than the parity price for such cotton (adjusted for grade, location, and seasonal differentials); except that for the 60-day period beginning 120 days after the date of enactment of this paragraph, and for each subsequent 60-day period, if the actual current market value of such cotton at the beginning of such period is lower than such parity price, the cost of such cotton during such 60-day period shall be deemed to be the actual current market value at the beginning of such period, and whenever a change is made in such cost of cotton a corresponding change shall be made in the maximum price for each specific textile item. Whenever the maximum price established for any item to which this paragraph is applicable is in excess of a price which in the judgment of the Administrator is generally fair and equitable and is also in excess of the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section, the Administrator may reduce the maximum price for such items to a price which in his judgment will be generally fair and equitable, except that such maximum price shall in no event be reduced to a price lower than the lowest maximum price which could be established therefor in accordance with the foregoing provisions of this section or be reduced to a price which will impede the effective prosecution of the war or the maintenance of the civilian economy. Whenever the maximum price established for sales at any subsequent level of manufacture, processing, or distribution of any commodity which is constituted in whole or substantial part of any textile item is in excess of a price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level of manufacture, processing, or distribution, then the Administrator may reduce such maximum price to any price which in the judgment of the Administrator will provide a generally fair and equitable margin at such level."

The CHAIRMAN. The gentleman from Georgia [Mr. BROWN] is recognized for 5 minutes in support of his amendment.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia [Mr. BROWN] may be given an additional 5 minutes. He is the ranking Member on our side in the committee, he has studied long on this proposition, it is one of the most important things in this bill, and I believe he is entitled to an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma [Mr. MONRONEY]?

There was no objection.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BROWN of Georgia. Mr. Chairman, the purpose of this amendment is to secure parity prices for cotton and also to secure the production of cotton goods necessary for the people of our country

and for our Army and Navy. I expect to produce evidence to show that on the counters and in the stores of the large cities and the towns of this country there are not cotton goods for sale that the great masses of the people wear. If I show that, and then that my amendment will bring to this country material of that kind without increasing the cost of living, and, at the same time, will attain parity prices for cotton, I have a right to ask Members on both sides of this aisle to support my amendment.

I expect to produce evidence from a witness to show that my amendment will not cost the consuming public a dime. I expect to bring forth this witness from the O. P. A. itself, a man who is the head of the Cost Accounting Division on textiles, a man who knows all about textiles, a man who is pointed out to those who want to know anything about textiles and cotton goods, a man selected by Mr. Bowles himself to go to the Senate and advise on the so-called Bankhead cotton amendment. I have not built him up. The O. P. A. built him up. They still have him. He is the one man in O. P. A. who has had actual cotton textile experience and who knows the real problems created by present maladjustments in the textile ceilings.

Mr. Chairman, we tried to get the O. P. A. to agree to correct by administrative action the inequities in their cotton textile ceilings, and we did that because we knew the difficulties of attempting to correct them by legislation, but they flatly refused to do this. Therefore, our only course is to force them to correct these inequities and carry out the will of Congress as stipulated in the Price Control Act by spelling out a formula that they must follow in setting cotton textile ceilings—a formula that will prevent the O. P. A. from setting any cotton textile ceiling that will depress the price of cotton to the farmer below parity and that will prevent the O. P. A. from setting ceilings on desperately needed cotton goods below the mills' actual cost of production plus a reasonable profit. In addition, my amendment gives O. P. A. authority—which I believe, though some question that, they have now but have not exercised—to lower any ceilings on goods produced by the mills that are too high. My amendment goes ever further and gives O. P. A. authority to lower ceilings, right down to the retail level, on the wearing apparel and other articles made from the goods produced by the mills, when such ceilings are excessive.

Thus, if O. P. A.'s statement is true that the over-all ceiling structure will permit mills to pay the farmer parity for cotton, then it is perfectly obvious that by pulling down the ones that are too high and raising the ones that are too low, the cost of living will not be increased at all.

The law of the land gives cotton and other basic commodities the right to parity. There is no ceiling on raw cotton and there cannot be any ceiling on raw cotton because there are more than 600 different grades and staples of cotton which make a ceiling on raw cotton an administrative impossibility. Therefore, the price of raw cotton is controlled by

the ceiling which is imposed on cotton goods. The ceilings on some types of cotton goods are too high, and if the mills producing these goods are making six or seven times as much now as they did in former years, my amendment is so drawn so as to bring those ceilings down. On the other hand, on those kinds of cotton goods where the present ceilings are not adequate to cover the actual cost of production, including a parity cotton price to the farmer, my amendment would force O. P. A. to take a realistic view of the situation and raise those ceilings to a level that will get the production that is so sorely needed for the war effort and our civilian economy. One of the real tragedies of this situation is that the types of goods that are most scarce are those needed by the working people and the poor people of this country for clothing and household necessities. If my amendment becomes law and is properly administered by the O. P. A., the farmer will get parity for his cotton; the people of America will get the cotton goods they need; the excessive mill profits, about which the O. P. A. talks so much but about which they have done nothing, will be reduced; and the cost of living will not only not be increased but will be materially reduced.

Some have said, "Oh, your scheme will not work." I have a formula in this amendment that will work. My formula does what? First, my formula would require the O. P. A. to consider each individual textile item, each different kind of goods, instead of continuing their present policy of dealing with cotton textiles as a whole. This policy of considering cotton textiles as a whole and attempting to strike an average on production costs for the whole industry is utterly ridiculous and is the most fundamental error in O. P. A.'s present pricing policies. What difference does it make to a mill that is below the average and is losing money whether other mills are above the average and making too much money? All he is concerned with is that he is losing money on the goods he is producing and therefore he must curtail his production or quit entirely. Or, in the case of a mill that is making several different kinds of cotton goods, some of which he can make at a profit and others of which he can make only at a loss because of O. P. A.'s ceilings, do you think that mill is going to continue the production of those items that are losing him money when he can switch his production over to only those items on which he can make a profit? Anyone with an ounce of practical business experience knows there is only one answer to these questions. But the professors of economics who set the pricing policies of O. P. A. have never had any practical business experience. Hence they set up this general average pricing policy for the cotton textile industry considered as a whole. It is this policy that is the root of our present difficulties, and it is this policy that must be changed and would be changed by my amendment to require O. P. A. to figure the ceiling on each textile product on its own basis and make each item stand on its own bottom.

My formula, applied to each textile item, would require O. P. A. to figure the mills' actual costs of production on that item. It starts out with parity price to the farmer on the cotton plus the cost of delivering it to the mill. To this cotton cost is added the manufacturing cost on the basis of what it now is, instead of what it was 2 years ago when the present textile ceilings were set. And to these two items of cost would be added a reasonable profit. The War Food Administrator would determine the parity cotton cost and the O. P. A.'s Accounting Division would determine the manufacturing cost, as well as what is a reasonable profit.

There is one factor in my formula that deserves special attention—that is the manufacturing cost. We all know that this cost varies among the different mills making the same kind of goods. Some are more efficient than others. Practically all cotton textiles are scarce and desperately needed so the original Bankhead amendment in the Senate provided that the manufacturing cost in the textile ceiling must be set at a figure that would cover the manufacturing cost and hence obtain maximum production from the mills making at least 90 percent of each kind of cotton goods. O. P. A. raised strenuous objection to this. They said that to allow a manufacturing cost that would take into consideration the costs of mills producing 90 percent of each kind of cotton goods would create inflation. For that reason I changed my amendment so that the 90-percent factor would be applicable only when the Chairman of the War Production Board certifies that the item is essential for war or civilian needs. Certainly O. P. A. cannot contend with any sort of reason that if Donald Nelson says a textile item is critical, that we should not have 90 percent of the productive capacity producing that item.

In a conference with Mr. Brownlee and other gentlemen from O. P. A., to discuss the serious cotton textile situation, and after they had expressed disapproval of my proposed amendment, I said, "Well, then, give me your solution. Mr. Bowles and you both testified that you wanted to adjust the ceilings so they would bring parity to the cotton producers of this land. What is your solution?" I said, "I want to be fair with you—draw it up yourself. Give us a solution that will bring parity to cotton producers. We are not trying to change parity. We are trying to reach parity."

I do not say that they insisted upon it, but here is what their attorney drew up and I want to read it to you. Listen to this.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may have an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There is no objection.

Mr. BROWN of Georgia. The cotton growers of this country are not asking for a subsidy. You have it for meat. You

have it for milk. You have it for butter. I voted for an amendment the other day to see that the processor had it sent on to the producer.

Here is the amendment written by one of the O. P. A. attorneys:

No person shall buy cotton from the producer thereof at a price less than the parity price established therefor plus the cost of delivery of such cotton to the point of delivery thereof. The payment of any lower price shall constitute a violation of the Emergency Price Control Act, as amended.

When parity is published monthly, and when there are over 600 different classifications of cotton with almost as many different values, when a man can be sued for triple damages and put in jail for violating O. P. A. directives, who in the name of thunder would buy a pound of cotton under such a regulation? And furthermore, when O. P. A. admits that many mills making desperately needed goods are now going out of production because of improper ceilings, how could we hope to increase production by adding to the mill's cotton cost without any adjustment in the ceiling on his goods? That is not the solution. The solution is embodied in my amendment.

I read now, to carry out my point, from a letter written to Senator TAFT by Mr. York Wilson, the man mentioned earlier, who is head of the accounting section in the Textile Division of O. P. A. Mr. Wilson wrote Senator TAFT to answer some questions posed by the Senator regarding the Bankhead amendment, which amendment, as finally passed in the Senate, embodies the same formula and same principle as mine. I quote as follows:

1. Question. Are the mills earning sufficient over-all profits to pay parity for cotton and still make profits above those to which they were accustomed in peacetime?

Answer. Yes, if the profits on rayon, and on dyeing, bleaching, and finishing and military purchases are taken into account.

2. Question. Will the amendment increase their profits to 20 percent on sales or 52 percent on net worth, as is stated in the minority report in S. 1764?

Answer. If properly administered, the amendment will not increase mill profits 1 cent. * * * If the textile items that reflect less than parity are raised in accordance with the Bankhead amendment and those that are too high are reduced as they should be reduced, there will be no increase in over-all costs.

In view of these statements by the chief of O. P. A.'s own Textile Accounting Division, how can the statements of Mr. Bowles, Mr. Vinson, and others that this amendment would increase the cost of living and increase mill profits possibly be justified?

The W. P. B. has been working for months with the O. P. A. to meet this critical cotton textile situation. Only day before yesterday a release appeared in a Washington paper from which I quote as follows:

The War Production Board last night assigned urgency ratings to all cotton textile mills, in a further move to speed production of fabrics for the armed forces and ease the shortage of low-cost civilian clothing.

We must realize that we are facing a drastic situation with respect to cloth-

ing, and upon this Congress rests a responsibility to do something about it. The Bankhead amendment, as amended and passed in the Senate, and my amendment are substantially the same, and the leadership among cotton producers and textile mill operators tell us that these amendments will be a major factor in correcting the untenable situation that now exists.

This amendment provides the way out of a difficult and a desperate situation. This is the only way you can reach the problem. I have been fair and straight.

I am looking at this from the standpoint of the national welfare. My amendment will bring to the cotton farmer parity, I hope, and at the same time it will put upon the shelves of the merchants of this country the low-cost materials they must have for the masses of the people of this country.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Michigan.

Mr. CRAWFORD. At the proper time I propose to offer the following amendment to the gentleman's amendment:

In the case of any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, within 60 days after the enactment of this act and thereafter, it shall be unlawful to establish or maintain a maximum price on any such agricultural commodity or on any commodity processed in whole or substantial part from any agricultural commodity, which will reflect to the producers of such agricultural commodity a price lower than the price standards established by section 3, section 8, and section 9 of the act of October 2, 1942 (Public Law 729, 77th Cong.).

That was the Stabilization Act. I think this amendment will strengthen the gentleman's amendment.

Mr. BROWN of Georgia. I understand the amendment and will be glad to accept it, because I think it will strengthen my amendment. It will provide protection for all agricultural commodities.

Going back to parity, what does it mean? I refer you to my speech before this House on last Thursday in which I pointed out that O. P. A.'s own figures reveal that they are not now figuring cotton costs in their ceilings at parity despite the fact that the existing law specifically requires them to do so. For example, present parity price for Middling 15/16 cotton delivered to the mills in the Carolinas is 23.38 cents per pound. Yet the figures secured from O. P. A. reveal that in some of their ceilings the cost allowed for this type of cotton is only 21.47 cents per pound, or almost 2 cents per pound—\$10 per bale—below parity. In no case are the cotton costs set up on a parity basis. This is inexcusable and I believe you will agree, makes mandatory some sort of corrective action by Congress. How can we hope for cotton to go to parity under such a system as now exists?

Under my amendment the ceilings will be based on parity prices for cotton. To make it fair to everyone concerned—farmers, mills, and the consuming public—my amendment provides for an es-

calator clause. Under this clause ceilings are set based on parity. They stay that way 60 days. Then if the mills are not paying parity to the farmer, the ceiling is reduced in line with the market. Thenceforth the ceilings work up and down with the price of cotton, but in no case do they go above the maximum provided in the Price Control Act. What does this mean? It means that if the farmer does not get parity, the mills' ceiling is reduced and the consumer gets the benefit. It also means that the ceilings would not prevent the farmer from getting parity, as is now the case. Could anything be more fair to everyone concerned? Could anything be a more honest approach?

Mr. Chairman, you cannot discuss a matter like this within 15 minutes. I do not see any other solution.

What I am after in this amendment is to get production of the critical materials the public needs. The Navy has called for 30,000,000 chambray shirts and cannot get them. If you adopt my amendment we will get production, and I believe we will get cotton prices to parity.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 45 minutes.

The motion was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont (Mr. PLUMLEY), be permitted to extend his remarks in the RECORD and include therein a quotation from a press release of the Democratic Party.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. BUSBEY asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial by Charles E. Broughton, editor of the Sheboygan Press.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

[The matter referred to appears in the Appendix.]

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 595) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That JOHN S. GIBSON of the State of Georgia be, and he is hereby, elected a member of the standing committee of the House of Representatives on Expenditures in the Executive Departments.

The resolution was agreed to.

NAVY DEPARTMENT APPROPRIATION BILL, 1945

Mr. SHEPPARD submitted a conference report and statement on the bill (H. R. 4559) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 4559.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD, on two subjects.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my remarks which I made in the Committee of the Whole and to include certain letters from the War Department and Navy Department.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SOIL CONSERVATION SERVICE

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4659) to authorize the Soil Conservation Service to lend certain equipment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Soil Conservation Service of the Agriculture Department is hereby authorized to lend to the Steuben Area Council of the Boy Scouts of America, kitchen equipment presently located at the side camp at Painted Post, N. Y., upon such terms and conditions as may be imposed by the Soil Conservation Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(By unanimous consent, Mr. DIRKSEN received permission to revise and extend his remarks.)

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALENDAR, WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the calendar on Wednesday of this week be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech made by the distinguished gentleman from Texas [Mr. RAYBURN].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

REGULATION OF INSURANCE BUSINESS

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Speaker, announcement has been made that the House on Thursday will be asked to consider H. R. 3270, "a bill to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States, and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business." Those are the Sherman and Clayton Acts.

On June 5 the Supreme Court of the United States handed down two decisions on the subject of insurance. One dealt with the South-Eastern Underwriters Association and its activities in the fixing of rates. The other was an appeal by the Polish National Alliance, a fraternal benefit society, against the National Labor Relations Board to determine if that company was subject to the National Labor Relations Act. To be subject to that act, a company must

either be engaged in interstate commerce or its business must affect interstate commerce.

I do not intend to deal at any great length with these decisions, but I do desire to call to the attention of the Members of this House that on March 21 I introduced a bill (H. R. 4444), which is entitled "To express the intent of the Congress with reference to the regulation of the business of insurance."

It was not my purpose at that time to claim any special right to introduce such a bill. I presented it for the sole purpose of attempting to clarify a rather confused situation.

There was then pending in the Supreme Court of the United States one much-discussed suit entitled "The United States of America, Appellant, against South-Eastern Underwriters Association et al.," which came to the Supreme Court on appeal from the district court of the United States for the northern district of Georgia. This suit sought to apply anti-trust provisions against certain fire-insurance companies, and presented in the Government's brief three questions:

First. Whether the fire-insurance business is in commerce.

Second. Whether the fire-insurance business is subject to the constitutional power of Congress to regulate commerce among the several States; and

Third. Whether, if so, the Sherman Act is violated by an agreement among fire-insurance companies to fix and maintain arbitrary and noncompetitive rates and to monopolize trade and commerce in fire insurance, in part through boycotts directed at companies not part of the conspiracy and the agents and purchasers of insurance who deal with them.

While this suit was before the Supreme Court there was introduced into the Congress of the United States certain legislation which bore the title "A bill to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business."

There were several of these bills, all alike, but the bill to which I will refer is H. R. 3270, introduced by the distinguished gentleman from Pennsylvania, [Mr. WALTER], a member of the Committee on the Judiciary, to which the bill was referred. It was reported favorably by the Judiciary Committee on November 18, 1943, and application was made soon after that to the Rules Committee for a rule under which it might be presented to the House.

In connection with H. R. 3270 there is a report, No. 873, dealing with the non-applicability of antitrust laws to the business of insurance. I have been unable to restrain myself from becoming interested in this legislation. My excuse must be that for many years my livelihood was drawn from an insurance agency, that most of my adult life I have owned and operated an insurance agency and that I am therefore vitally interested in the ultimate welfare of the business of insurance, not just through one crisis or during one piece of criminal litigation against one set of companies but over the longer course where the ulti-

Appendix

Address by the President on Opening of the Fifth War Loan Drive

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

*Tuesday, June 13 (legislative day of
Tuesday, May 9), 1944*

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the President last night in connection with the opening of the Fifth War Loan drive.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

All our fighting men overseas today have their appointed stations on the far-flung battle fronts of the world. We at home have ours, too. We need, and are proud of, our fighting men—most decidedly. But during the anxious times ahead let us not forget that they need us, too.

It goes almost without saying that we must continue to forge the weapons of victory—the hundreds of thousands of items, large and small, essential to the waging of the war. This has been the major task from the very start. It is still a major task. This is the very worst time for any war worker to think of leaving his machine or to look for a peacetime job.

And it goes almost without saying, too, that we must continue to provide our Government with the funds necessary for waging war not only by the payment of taxes—which, after all, is an obligation of citizenship—but also by the purchase of War bonds—an act of free choice which every citizen has to make for himself under the guidance of his own conscience.

Whatever else any of us may be doing, the purchase of War bonds and stamps is something all of us can do and should do to help win the war.

I am happy to report tonight that it is something which nearly everyone seems to be doing. Although there are now approximately 67,000,000 persons who have or earn some form of income (including the armed forces), 81,000,000 persons have already bought War bonds. They have bought more than 600,000,000 individual bonds. Their purchases have totaled more than \$32,000,000,000. These are the purchases of individual men, women, and children. Anyone who would have said this was possible a few years ago would have been put down as a starry-eyed visionary. Of such visions, however, is the stuff of America fashioned.

Of course, there are always pessimists with us. I am reminded of the fact that after the fall of France in 1940 I asked for the production by the United States of 50,000 airplanes per year. I was called crazy—it was said that the figure was fantastic; that it could not be done. Today we are building airplanes at the rate of 100,000 a year.

There is a direct connection between the bonds you have bought and the stream of men and equipment now rushing over the English Channel for the liberation of Europe. There is a direct connection between your

War bonds and every part of this global war today.

Tonight, therefore, on the opening of this Fifth War Loan drive, it is appropriate for us to take a broad look at this panorama of world war, for the success or failure of the drive is going to have so much to do with the speed with which we can accomplish victory and peace.

While I know that the chief interest tonight is centered on the English Channel and on the beaches and farms and cities of Normandy, we should not lose sight of the fact that our armed forces are engaged on other battle fronts all over the world, and that no one front can be considered alone without its proper relation to all.

It is worth while to make over-all comparisons with the past. Compare today with just 2 years ago—June 1942. At that time Germany was in control of practically all of Europe, and was steadily driving the Russians back toward the Ural Mountains. Germany was practically in control of north Africa and the Mediterranean, and was beating at the gates of the Suez Canal and the route to India. Italy was still an important military and supply factor—as subsequent, long campaigns proved.

Japan was in control of the western Aleutian Islands; and in the South Pacific was knocking at the gates of Australia and New Zealand—and also threatening India. She had seized control of nearly one-half of the Central Pacific.

American armed forces on land and sea and in the air were still very definitely on the defensive, and in the building-up stage. Our allies were bearing the heat and the brunt of the attack.

In 1942 Washington heaved a sigh of relief that the first War bond issue had been cheerfully oversubscribed by the American people. In those days America was still hearing from many amateur strategists and political critics, some of whom were doing more good for Hitler than for the United States.

Today we are on the offensive all over the world—bringing the attack to our enemies.

In the Pacific, by relentless submarine and naval attacks, amphibious thrusts, and ever-mounting air attacks, we have deprived the Japs of the power to check the momentum of our ever-growing and ever-advancing military forces. We have reduced their shipping by more than 3,000,000 tons. We have overcome their original advantage in the air. We have cut off from a return to the homeland tens of thousands of beleaguered Japanese troops who now face starvation or surrender. We have cut down their naval strength, so that for many months they have avoided all risk of encounter with our naval forces.

True, we still have a long way to Tokyo. But, carrying out our original strategy of eliminating our European enemy first and then turning all our strength to the Pacific, we can force the Japanese to unconditional surrender or to national suicide much more rapidly than has been thought possible.

Turning now to our enemy who is first on the list for destruction—Germany has her back against the wall, in fact three walls at once.

On the south, we have broken the German hold on central Italy. On June 4 the city of Rome fell to the Allied armies. Allowing the enemy no respite, the Allies are now pressing hard on the heels of the Germans as they retreat northward in ever-growing confusion.

On the east, our gallant Soviet Allies have driven the enemy back from the lands which were invaded 3 years ago. Great Soviet armies are now initiating crushing blows.

Overhead, vast Allied air fleets of bombers and fighters have been waging a bitter air war over Germany and western Europe. They have had two major objectives: To destroy German war industries which maintain the German armies and air forces; and to shoot the German Luftwaffe out of the air. As a result German production has been whittled down continuously, and the German fighter force now has only a fraction of its former power.

This great air campaign, strategic and tactical, will continue, with increasing power.

On the west, the hammer blow which struck the coast of France last Tuesday morning was the culmination of many months of careful planning and strenuous preparation.

Millions of tons of weapons and supplies and hundreds of thousands of men assembled in England are now being poured into the great battle in Europe.

From the standpoint of our enemy we have achieved the impossible. We have broken through their supposedly impregnable wall in northern France. The assault has been costly in men and materials. Some of our landings were desperate adventures; but from the advices received so far, the losses were lower than our commanders had estimated would occur. We have established a firm foothold and are now prepared to meet the inevitable counterattacks of the Germans with power and confidence. We all pray that we will have far more than a firm foothold.

Americans have all worked together to make this day possible.

The liberation forces now streaming across the channel and up the beaches and down the highways of France are using thousands and thousands of planes and ships and tanks and heavy guns. They are carrying with them many thousands of items needed for their dangerous, stupendous undertaking. There is a shortage of nothing—nothing. This must continue.

What has been done in the United States since those days of 1940, when France fell, in raising and equipping and transporting our fighting forces and in producing weapons and supplies for war has been nothing short of a miracle. It was largely due to American teamwork, teamwork among capital and labor and agriculture, between the armed forces and the civilian economy, indeed among all of them.

And everyone who bought a War bond helped—and helped mightily!

There are still many people in the United States who have not bought War bonds or who have not bought as many as they can afford. Everyone knows for himself whether he falls into that category or not. In some cases his neighbors know also. To the consciences of those people, this appeal by the President of the United States is very much in order.

All of the things which we use in this war, everything we send to our fighting allies, costs money—a lot of money. One sure way every man, woman, and child can keep faith with those who have given, and are giving, their lives is to provide the money which is needed to win the final victory.

I urge all Americans to buy War bonds without stint. Swell the mighty chorus to bring us nearer to victory!

Extension of Emergency Price Control Act of 1942

SPEECH

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not ask for any time during general debate on this bill, but I do want to take a few minutes at this time, not only to discuss this amendment, but also other amendments that will be offered later.

I agree wholeheartedly with the remarks of the gentleman from California [Mr. OUTLAND] and the gentleman from Michigan [Mr. WOLCOTT]. There are people in my district who think that the particular commodity they raise or merchandise they sell should be excluded from the Price Control Act and they can offer a very convincing argument. However, if we are going to have price control, we must have price control right across the board without exception.

The bill now before us was considered by the House Banking and Currency Committee. This committee, composed of just about an equal number of Democrats and Republicans, held hearings for more than 40 days. They had an excellent opportunity to review the record and experience of O. P. A. Based on the testimony they heard, and the study they gave the problem of price control, they have unanimously reported out a bill that appears to me will give us a very greatly improved administration of the Price Control Act. I intend to support the bill reported by the House Banking and Currency Committee and it is going to take considerable argument to convince me that their bill should be amended in any material respect.

I would like to take just a minute, if I may have the attention of the gentleman from Michigan [Mr. WOLCOTT] to ask one or two questions, the answers to which I would like to have in the RECORD. It is my understanding that if this bill becomes law the O. P. A. in the future will be compelled to respect business practices that have been followed over a period of years in any given business or industry. Under the language found in section 2, the O. P. A. will not be permitted to ignore business practices. For an example of what I have in mind let us take shade-grown tobacco. Shade-grown tobacco has been sold for a good many years in my section of the country on a basis of grade. What I want to know now is, Will it be possible under

the language of this bill for O. P. A. to insist that pricing must be done otherwise than by grades?

Mr. WOLCOTT. In subsection (h) of section 2 of the bill, found on page 11, starting with line 3, the committee recommends the following:

The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution established in any industry, or changes in established rental practices.

I think that clearly indicates our intent that they shall not use any of the powers in the bill to make changes in business practices. That is the language in existing law, except that we have stricken from existing law language dealing with circumvention of regulations or other price regulations under this act. We have ample protection against circumvention in subparagraph (g) wherein we say:

Regulations, orders, and requirements under this act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

Mr. MILLER of Connecticut. I thank the gentleman. I did want that information to appear in the RECORD.

In section 9 the committee changes the proviso "The President may" to "The President shall." Do I take it that that means, say in the case of milk or dairy products, that where it can be shown that due to increased labor costs or feed costs or other items going into the cost of production of milk, that it is the intention of the Banking and Currency Committee and of Congress, if this bill becomes law, that there shall be an adjustment made in the price of such dairy products?

Mr. WOLCOTT. The purpose of that is to give the court jurisdiction to compel the Administrator to correct gross inequities wherever they were found.

I might say that we have strengthened that provision by the adoption of an amendment known as subsection (k) of section 2, which provides:

The Administrator shall, without regard to the limitations contained in this act or the Stabilization Act of 1942, adjust any maximum price or rent to the extent that it may be necessary to correct gross inequities.

That not only compels the Administrator to do it, but if he is arbitrary or capricious about it, then the court is given jurisdiction to compel him to make such corrections.

Mr. MILLER of Connecticut. I thank the gentleman. It appears to me that the answers given to my questions by the gentleman from Michigan [Mr. WOLCOTT] indicate very clearly that the committee has in fact strengthened the administration of O. P. A. Unless some of the amendments already adopted in the Committee of the Whole are removed from the bill when we go back into the House I doubt very much that I can bring myself around to voting for the bill as now amended. Rather than to vote for amendments that emasculate the price control law, I would prefer to see a simple resolution adopted continuing the present O. P. A. act. Much as I am opposed to some of the amendments al-

ready adopted, it may become necessary to vote for the bill in order that it may go to conference, in the hopes that the conferees of the House and Senate can eliminate some of the objectionable amendments already adopted.

Bureaucratic Government Leads to Dictatorship

EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from a soldier in the service:

Have you seen the Reader's Digest for February 1944? There is an article in there entitled "You Can't Pay Workers That Much." It tells how Government bureaus are dictating to an efficient American manufacturing concern and thereby would reduce its efficiency. Read it and see if your blood doesn't boil.

Now, what I would like to know is, if we are fighting a war against dictatorship, why do we permit it inside our country? Isn't an enemy within more dangerous than one without? If we are going to tolerate dictatorship anyway, wouldn't it be a lot cheaper if we did not wage a war against it? It seems ridiculous to me.

I think a situation like this demands a strong protest from every thinking citizen to our Senators and Representatives in Washington. Congress is delegated power by the Constitution to manage our affairs and no appointed Government agency should be granted such authority as the Price Adjustment Board and probably countless others.

I wish that you would copy this letter and send it to our Representative and both our Senators. It is not very inspiring to us over here to think of coming home only to find the very thing in our own Government that we have been seeking to destroy during these years that we have been away.

The article from the Reader's Digest follows:

"YOU CAN'T PAY WORKERS THAT MUCH"

(By Roger William Riis)

"What's wrong with working with your hands?" demanded Charlie Wilson, welder. He makes \$7,000 a year. "Just because I work with my hands this Treasury fellow says I shouldn't be paid more than \$5,000 a year. Did you ever see copper welded?"

He flipped down his helmet and deftly ran a weld around a machine part. Molten copper is fluid as mercury; the operation calls for a surgeon's touch. "A good artist makes more than \$5,000 a year, and he works with his hands," Charlie resumed. "Welding copper looks like a kind of art to me."

The Lincoln Electric Co. at Cleveland manufactures welding equipment without which planes and ships could not be built on this war's scale. It is 100-percent piecework. The average Lincoln worker makes \$5,400 a year. His weekly pay is rather less than the wage in some adjacent plants, but he gets a year-end bonus which roughly equals his wages. The workers accumulate the bonus, totaling \$3,000,000, through efficiency in production. All Lincoln stock is owned by Lincoln executives and workers

and their families; they really work for their own company. The 1943 year-end bonus was no wartime innovation; it has been going on for 10 years.

But now both the Treasury and the Price Adjustment Board attack the Lincoln method. The Treasury demands \$1,600,000 of the bonus as taxes, on the ground that such rates of pay to workers are not an allowable expense. The P. A. B. (even though Lincoln is not a direct contractor with Government) demands \$3,250,000 through renegotiation of prices. But this is no instance of removing surplus funds from a small group of absentee stockholders, who will groan and pay; here the Government attacks the wages of 1,300 workers.

In the course of the argument, the Treasury agent in charge of the case asserted, "A man who works with his hands shouldn't be paid as much as \$5,000 a year." Lincoln workers naturally are shocked and indignant over the Treasury's dictum that Government should set an arbitrary distinction between what can be paid to a mechanic and to a white-collar man.

"They tell us production is what will win this war," Charlie Wilson went on. "Well, we produce. None better!"

Lincoln Electric does indeed produce! The company, 47 years old, makes half of all the electric felding equipment used in America. Dollar production per worker has risen in the last 10 years from \$5,000 to \$28,000; it is now four times that of competitive plants. And they pass the benefits of their efficiency on to the customer. Over these 10 years they have cut the price of a welding machine from \$600 to less than \$200. Lincoln figures this has saved the Government \$60,000,000 since Pearl Harbor.

This is individual initiative functioning at full speed.

It is a basic belief at Lincoln that a man is worth all he can earn. "What we make, we split," says Charlie Wilson.

"Our system is incentive pay at its best," Vice President A. F. Davis comments. "And the War Labor Board specifically exempts from freezing any wages of increased productivity under incentive plans. Yet the Treasury now works up this new theory on us."

"Because we work the way we do," said the export manager, "we can manufacture, ship, pay freight and duty, and lay down our stuff in any country at lower prices than that country can make it. Looks like good business for Americans. Why pick on us?"

"The Government doesn't seem to like our system," diagnosed a toolmaker. "This Treasury man says we have no right to make real money. The renegotiation boys say we have to fork over to them more than all we have saved for the year-end bonus. I don't know which is worse."

Reese Dill, another worker, breathes anger. "If an industry is inefficient and can produce only at a loss, Government gives it what they call a subsidy. I call it a crutch. If a company is very efficient, Government fines us. Do they want to put all industry on crutches?"

To the Treasury, J. F. Lincoln, the company's president, said, "If, instead of 1,300 workers, we had 3,500 and paid them the same amount we pay the 1,300, would you then question our pay rates?"

"No," replied the official.

"Then," said Lincoln, "the real crime for which we are being fined is that through our high productive efficiency we make 2,200 men available for other war effort."

"You can't put words into my mouth," retorted the official.

But there are words—defiant words—in the workers' mouths. It is not a matter of objecting to taxes; the company now files 288 Federal and State corporation tax returns, and the men of course pay their personal taxes. What they object to is being told by Government that they must not receive the

results of their own intense labors, because they aren't worth it.

"What do they mean, telling us what we can earn?" demanded Joe Galati, expert coil winder of 20 years' experience. "If any Government orders people around at their jobs that way, ain't that dictatorship? Ain't that what we're fighting against? I thought this was a democracy."

"I hope our company fights this thing till hell freezes over," emphasized Gerald Gilletly. "We make our money by producing. I used to be in another company. We work a lot harder here, but this place is so good that men almost never quit. We work for our money, but the great thing is, we get it. Or we will, if these new ideas don't stop us."

These men are on the company's advisory board, a group of 24 employee-elected employees which functions in internal matters much like a board of directors. It was the advisory board which telegraphed to Washington protesting the fine. They all term it a fine because Lincoln's competitors make no comparable profit and are not therefore in difficulties with Government.

"How much must we reduce our efficiency in order to get down to the level where we won't be fined?" ran the workers' telegram to the Price Adjustment Board, which has not yet found any answer beyond: "You either agree with us or we shall make a unilateral determination."

Ten members of the House of Representatives Committee on Ways and Means recently criticized such P. A. B. actions as "arrogant, highhanded, and tyrannical."

"Naturally, I'm prejudiced on our side," said welder Jim Macey. "I've benefited plenty. When I came to work here I didn't have a nickel. Now I own a home, and it's paid for."

"I'd like to see the man here who doesn't like our system," agreed George Stevens at the next bench. "Here you don't sit around on your fanny and draw a regular wage. You get just what you work for. If you don't work for it you don't get it. If the other guy loafs it hurts my bonus. But now look at what the Government does!"

"How do I feel about it?" Angus Campbell MacDonald was concise: "At 27 I have two kids, own my home, and have stock in the company."

"What do they think they're doing, these Government bureaus, trying to put a premium on loafing?" demanded another.

"Our way just gives a man a full chance to work," Charlie Wilson sums it up. Lincoln himself says it has brought "employee benefits unparalleled in industry."

"We serve one function only," he says, "and that is production. We are now being penalized for producing at the highest rate in the industry. I wish I didn't have to spend so much time fighting off the Government."

Even as we talked, a carpenter was measuring the office walls for more bookcases to house more Government orders and findings. Bound volumes already on the shelves totaled 48,000 pages of O. P. A., priority, and such matters. Reports on law in 5,400 labor cases ran to 64,613 pages. These pages were clean, unthumbed, for Lincoln has no so-called "labor relations"; the company is comprised entirely of fellow workers.

"We're independent here. The new idea seems to be that no one can do anything without Government O. K.," says Charlie Wilson thoughtfully. "But people don't do so well if they always lean on something. I wouldn't stake up every plant in my garden; pretty soon they couldn't stand alone, and I'd run out of stakes. You ought to see my garden."

It is the Treasury man, with his deprecating theory of a worker's value, who ought to see Charlie's garden.

Charlie's house stands on an attractive suburban street lined with sycamores. You walk from the two-car garage through the vegetable patch and 85-bush rose garden. In the bright living room a log fire burns. On a wall hang three awards which the Wilson's garden won in 1943. In the cellar a storage room is full of garden truck which Mrs. Wilson canned.

It is a beautiful house; it has literally everything—except a mortgage. "Most everybody around here has a mortgage," Wilson says, "but we fellows at the Lincoln shop are lucky—90 percent of us own our homes."

With his company stock, pension, and insurance Charlie can retire in 5 years with a monthly income of \$200. Federal Social Security in 10 years—not 5—would give him a maximum of \$85.

Through his own study and experiment Charlie has constantly lifted his production. By eliminating one standard but useless motion he raised his output from 40 to 41 rotors an hour. By changing the support for his electrode he knocked off several more minutes per job. Having increased his production, he makes a lot more money than he used to earn. His company says he is worth it.

But Government says 1,300 workers can't be paid \$5,400 a year. They work with their hands.

Favoring Continuance of Local Boards Issuing Ration Certificates

SPEECH
OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. LUTHER A. JOHNSON. Mr. Chairman, the purpose of the amendment which I have just offered is expressed in the amendment itself, which is as follows:

That it is the sense of Congress and shall be the policy of the Administrator and the Office of Price Administration to vest in local boards the widest possible authority in dealing with rationing to individuals and shall use the local boards heretofore established in both the granting and issuance of rationing coupons and certificates to individuals for gasoline, tires, and tubes.

My attention has been called to the necessity for some restriction such as this by reason of the recent directive issued by the Office of Price Administration by which they propose to change the system heretofore used, and which has been successfully used, of letting the local boards grant and issue ration certificates for gasoline, tires, and tubes to individuals. I have had this matter up with the Office of Price Administration, along with other Members and some Senators, and have done everything in our power to get them to modify or rescind or annul that regulation which they are going to put into effect. But

a Congressman talking to one of these agencies has no effect whatever in my experience. They listen to you, but they do not give you any relief.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to my colleague from Texas.

Mr. POAGE. Is it not a fact that they first give you one answer, and when you explode that, they then come back and give you an entirely different answer the next day.

Mr. LUTHER A. JOHNSON. That is true. Here is what will happen. If this directive is carried into effect, it means depriving the local boards of issuing ration certificates as they have heretofore done. Just let me say this, that the system by which the local boards grant and issue these rationing certificates has been working satisfactorily. Now the O. P. A. propose to do this. They propose to establish what they call issuance centers at far removed points from the various counties, and while they say that the local boards will determine whether to grant an application or not, yet when it is granted, it is up to these issuance centers to issue the certificate. The reason they are doing this, they say, is to prevent theft; that the local boards are not prepared to protect from theft the unissued certificates.

Mr. POAGE. When we first jumped them—and the gentleman from Texas and I discussed it together with the officials of the O. P. A.—they told us that, but when we cited one example of a town where they had a large bank and a vault to put them in, they immediately turned around and they said they did it to save labor.

Mr. LUTHER A. JOHNSON. That is right. On the question of theft I have an excerpt here from the Dallas News, which says that 412 gasoline A-ration certificates were stolen just a few days ago, on June 6. Dallas is the issuance center where they propose to vest the power to issue certificates to those in my district.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Am I correct in assuming that the gentleman's amendment has no relationship to price control?

Mr. LUTHER A. JOHNSON. Not at all. It simply says this: That the policy heretofore established, and which has worked and has worked successfully, of letting these local boards issue these ration certificates shall be continued instead of having to send their applications to an issuance center far removed for issuance. Suppose a man is in need of certificates at once. He cannot get them. These people know how to deal with these local boards. They have been honestly administered. I have in my district businessmen who have acted fairly and without compensation, who have made a fine record. And they should continue to issue these ration certificates as they have so fairly and successfully done heretofore. This new regulation is a reflection on these local

boards, and it is causing a lot of criticism from people in every walk of life in my district.

There has been no theft of unissued certificates in my district, and I understand that less than 1 percent of the ration tickets issued in the United States last year were stolen.

The Post Office Department had a few stamps stolen last year, but they did not consider closing up 44,000 post offices established to serve the public because of this.

Suppose a farmer has a blow-out on his tractor, and he goes to his local board to get a tire and is told that his application will have to be sent to Dallas for issuance, and he has to wait until the order can be filled from Dallas.

The O. P. A. says they will have a small number of gas tickets at each board for emergencies, but there are more than 1,500 tractors in my home county, and there will be many cases where issuance of certificates will be required immediately.

This delayed and inconvenient system is going to encourage a black market, which has been about stamped out in most places—at least in our part of the country.

The trouble with the O. P. A. is that they are never satisfied. They are always making changes. I think that if the O. P. A. after they have learned to work out a thing in a certain way and the public understands it and accepts it, would keep on doing it that way, would be all right, but this is the trouble. When they get a plan established and acceptable, then someone in the organization has a new idea that it ought to be done differently. Then they sit down and work out new plans and change the old ones and start all over again. It is not right. The only way we can stop it is for Congress to stop it. I have tried to stop it and others have tried to stop it, but you never can convince one of those men that he is wrong.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. KEAN. I object, Mr. Chairman.

Extension of Emergency Price Control Act of 1942

SPEECH

HON. ROSS RIZLEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942, and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

Mr. RIZLEY. Mr. Chairman, I do not expect to take the full 5 minutes on this amendment; however, it should not

cause quite as much levity as apparently it has from some of those who claim that the purpose of this Price Control Act is two things, one to keep down the cost of living and the other to stop inflation.

Watermelons have not been considered as being a menace to either until the last few weeks. There have been no ceilings put upon them up to the present time. However, unless we do something to prohibit ceiling prices on melons they will be made effective shortly, they are threatening to put a ceiling on them which will be below the cost of production, not because they claim they are food, not because they claim they may lead toward inflation, but because the O. P. A. says that since watermelons are not an essential food they will take that land away from the farmer who has been raising watermelons and making some money and force him to plant something else.

Mr. PACE. Will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Georgia.

Mr. PACE. And they did not come to that conclusion until after the farmers had already planted the melons?

Mr. RIZLEY. I was going to say that. The watermelons have been planted. They have the order already prepared here in Washington and most of them admit that the ceiling they are going to make effective will be below the cost of production that will put the watermelon growers out of business.

Mr. BARRY. Will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from New York.

Mr. BARRY. Does not the act itself forbid the Administrator placing a price below parity and parity is a reasonable and fair return to the farmer?

Mr. RIZLEY. I do not think there has been any parity formula fixed for watermelons yet.

Mr. PACE. The act fixes parity as a minimum, not the maximum.

Mr. RIZLEY. That is right. Mr. Chairman, I think my amendment should be adopted and I hope it will be.

Mr. Chairman, to listen to some of the arguments that are being made here by certain members of this Committee, one might well get the impression that unless the O. P. A. is given all-out, complete power and authority without any direction, restraint or limitation by the people's Representatives, the whole country is going to wreck and ruin.

No one questions the advisability of adequate price control, but to say that the O. P. A. officials are all-wise and cannot err, is further proof of either one or two things: That there are those who, in addition to adequate price control, would put every farmer and every processor in a bureaucratic straight jacket or they are ignorant of many of the things which the O. P. A. has been doing that are a hindrance to price control rather than a help.

The so-called "little people" in this country if they are to be protected, have only one branch of the Government to which they can go with their petitions for grievance, and that is the

Congress of the United States which they elected.

This threat to put price ceilings on watermelons well demonstrates the point. Here are a few thousand watermelon growers, who could not "break the line" that we have heard so much about the past few days, if all of them were on one end of the rope pulling one way. They had a perfect right to believe when they bought fertilizer, prepared the ground, and planted the melons, that they were going to have a chance to make a reasonable profit, providing the elements and a hundred other things were on their side. But along comes the O. P. A., after the melons are planted, and says to these "little people," "We do not think your particular line of agriculture is essential, and so we are going to put a ceiling below the cost of production on the melons you raise."

Is that the way to keep unity in this country? Why, to hear some of these folk talk and to hear some of the Membership of the House berate these "little people" and present a bugaboo of runaway inflation, one would imagine that the whole Italian campaign was due to bog down and the invasion of Europe fail, unless ceilings were placed on watermelons.

Why can we not be realistic and use common sense about these matters? Let's stand up and be counted for the "little people" in this country.

Republican Platform Articles by Wendell Willkie

EXTENSION OF REMARKS OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

*Tuesday, June 13 (legislative day of
Tuesday, May 9), 1944*

Mr. HATCH. Mr. President, I ask unanimous consent that two articles written by Wendell Willkie dealing with suggested planks for the Republican platform, published in the Washington Post of June 12 and June 13, 1944, be inserted in the Appendix of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 12, 1944]

WILLKIE OFFERS REPUBLICANS HIS IDEA OF
PLATFORM NEEDS

(By Wendell Willkie)

The Republican Party in its beginning arose from the people's urge to build a strong National Government to offset the disruptive, weakening influence of the States' rights doctrine of the Democratic Party. Paradoxically, now, in 1944, that same Republican Party is urged to dedicate itself to the doctrine of States' rights.

In the days of the party's founding, a strong Central Government was necessary to prevent disruption of our political union. Today, a strong Central Government is necessary to prevent disruption of our economic and social structure by a variety of conflicting authorities and interests. In that early day,

Federal power was necessary to make us in fact a nation. Today, Federal power is necessary to enable the United States to live and lead in the family of nations.

The debate concerning the concentration of power in Washington is a recurring one. It arises to some extent in every Presidential campaign and becomes particularly violent during war periods. But the sincerity and vigor of the present protest have been occasioned by causes beyond the normal maneuvers of politics or the dislocations created by the Federal assumption of necessary war powers. It arises from more far-reaching causes.

CITES MANY ABUSES

The spectacle of the present administration's arbitrary use of vast authority; the caprices of a government of men grown bold and reckless with the use of power, favoring first one economic group and then another, while subjecting individuals and their rights to the judgment of whims and theories; the manifold evidences of every citizen, even in his own community, of the inefficiencies and reckless extravagances of Federal agents—all these abuses have aroused dissatisfactions among the people which have naturally formed an issue for the opposition party. But we must not be confused as to what the issue is or where the solution lies.

It is not the worn-out issue of States' rights versus strong Federal Government. That is not an issue; that is a relic.

The States have their proper functions and Republicans can be proud that in the administrations of the 25 Republican Governors we have an outstanding example today of competent State government.

But ever since the adoption of the Constitution, with the expansion of the country and the growth of its concerns, there has been a trend toward stronger central government. It was firmly established in the Civil War and became increasingly marked after World War No. 1. President Hoover's committee on recent social trends published a report in 1933 that noted the growth of Federal functions during the three preceding Republican administrations and concluded: "The shifts from State to Federal authority thus reflect the incapacity of the several States to deal with problems of transportation, communication, merchandising, labor-capital relations, and other vital aspects of social and economic life."

It could hardly be put better.

MUST EXERCISE VAST POWERS

Any national administration in a modern complex industrial society must exercise vast powers. The United States cannot be divided into 48 separate economic units. We cannot, for instance, have 48 different minimum wage laws, nor can we have a variety of State policies if we hope to protect the farmer against the precipitated downward spiral of post-war agricultural prices. Businesses national in scope, social and economic problems that affect all our people alike can only be dealt with on a national basis. The number and character of such problems increase steadily with every step in our industrial growth and expansion. And the more we move, as we must move, into the affairs of the world the more this will be true. For we will be living and functioning and trading in a world where other peoples have granted to their governments the power and the authority to act for them.

TODAY'S ISSUE DIFFERENT

No; the issue today is not the issue of States' rights versus Federal power. The issue is government administered under law. For if economic and social regulations in our modern industrial age must be national in scope to be effective, so their administration must be by law and rule if the citizen is to remain free.

The solution lies in a weakened central Government. It lies in assuring the proper

use of the power we have deemed it wise and necessary to grant to the Federal Government in administration. It means—and this is important—local administration of numerous Federal functions in their application. And it means primarily the substitution of government by law for government by caprice and unlimited discretions. Under such exercise of Federal power, every citizen, rich or poor, labor leader or factory manager, issuer of securities or wage earner, farmer or businessman may know his rights and may know that in case of dispute they will be adjudicated fairly and equitably under law and rules which at least his lawyer can understand.

CONCERN HUMAN FREEDOM

The issues involved in Federal power and its proper use concern human freedom itself. They are issues which Republicans should state clearly and fight for—not behind an outmoded mask of States' rights or in conjunction with those who use that mask to prevent social and political advance, or those others who, by a pretense of concern for the rights of the States, really seek to weaken the Federal Government to such an extent that the United States will be unable to play its appropriate role in the world of today.

They are issues we should fight for vigorously, frankly, and openly. If we prevail we will have a Government representing us abroad with dignity and power, an instrument of the united will of our people which can lead the world to tangible economic and political cooperation. And at home we shall have a Government with power to vitalize our economy, eliminate its abuses, and, at the same time, preserve and extend the freedom of its citizens.

To build such a Government—strong centrally and just in its administration—is in the finest tradition of the Republican Party.

[From the Washington Post of June 13, 1944]

REPUBLICAN PLATFORM

(By Wendell Willkie)

NEGRO'S EQUAL RIGHTS

Under the leadership of Lincoln, in the fires of civil war, the Republican Party's struggle to save the Union was transposed into the great moral issue of human freedom. By the Emancipation Proclamation and by amendments to the Federal Constitution, under Republican leadership, the Negro was legally and constitutionally guaranteed exactly the same rights as every other citizen of the United States.

It is therefore strange that Republicans, year after year, yield to the old States' rights argument and a narrow interpretation of Federal power, to prevent the passage of Federal statutes which constitute the only practical method by which the Negro's rights can be assured him.

One of these basic rights is the right to vote. Another is the right to live free of the haunting fear and the too-frequent actuality of mob violence. The first can be guaranteed, under the circumstances existing today, only by a Federal statute eliminating State poll taxes and other arbitrary prohibitions against the free exercise of the voting franchise, the other only by a Federal statute making the crime of lynching tryable in Federal courts and punishable by Federal law.

The Republican Party in its platform and in the declarations of its candidates should commit itself unequivocally and specifically to Federal antipoll tax and antilynching statutes.

The Negro people of the United States understandably refuse to accept the technical arguments against cloture in the debates on antipoll tax and antilynching bills, or even the sincere claims of constitutionalism which

prevent such just measures from becoming law. And the very fact that the Republican Party was the instrumentality through which the Negroes were given freedom makes them the more resentful that it should join in acts which prevent them from obtaining the substance of freedom.

Nor will they be satisfied by the counsels of patience and the assurances of kindly men that progress has been made, that eventually, through fair treatment and cooperative effort, Negroes will in some distant day obtain the rights which the Constitution itself guarantees to them.

No one who has not stopped seeing and thinking could have missed the events of the past few years that have drawn together 13,000,000 Americans—one-tenth of the Nation—into a determined, purposeful unit.

In that time Negroes have known the bitter humiliation of seeing their men and women, eager to serve in the Nation's armed forces, excluded from some branches of the service or often relegated to menial jobs in the branches to which they have been admitted. They have witnessed the ugly and tragic results of race hatred and riots. They have known the brief security of good jobs at decent wages while their help was needed in order to make the tools of war, only to be filled with deep anxiety for fear that in the readjustments of peace they will be shuffled off into unemployment and poverty.

At the same time, from the battlefields of Italy to the gold-star homes here in America they have learned that there is nothing more democratic than a bullet or a splinter of steel. They want now to see some political democracy as well.

Millions of them distrust the Democratic Party which for years has deprived the Negro of his rights to vote in Atlanta while seeking his vote as the friend of race in Harlem. But in view of the economic advances and social gains which have come to Negroes during the past 12 years, they will not leave that party for vague assurance of future action expressed in pious platitudes, or for a 1944 version of the States' rights doctrine, or even for procedures which, however legally correct, in practical effect indefinitely postpone correction of sore and desperate abuses.

Negro leaders are alert and educated and sophisticated. They know that their problem is a part of the world-wide struggle for human freedom. For their people they ask only their rights—rights to which they are entitled. The Constitution does not provide for first- and second-class citizens.

They are entitled to the same opportunity to acquire an education—an education of the same quality—as that given to other citizens. They should receive the same per capita expenditure of public moneys for schools, housing, health, and hospitalization as is allotted to other citizens.

Their right to work must equal that of any citizen and their reward should be the same as the reward of any other citizen for the same job.

Their economic opportunity should not be limited by their color.

And last, they should have the right of every citizen to fight for his country in any branch of her armed services without discrimination and with equality of opportunity.

These are merely rights that the Negro of our communities is entitled to share with other citizens. Republicans should see to it that he gets them. For all of these reasonable demands are consistent with the very principles upon which the Republican Party was founded. All of them are a part of the freedom for which men of every color and race are dying. Our adoption or rejection of them will be the test of our sincerity and of our moral leadership in the eyes of hundreds of millions all over the world.

Work of Congregation at Glennonville, Mo.

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, June 9 (legislative day of Tuesday, May 9), 1944

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the St. Louis Post-Dispatch recounting the very remarkable pioneering development conducted by Father Peters and his congregation at Glennonville, Mo.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FATHER PETERS, A PIONEERING PRIEST—HE OVERCAME ALL OBSTACLES TO ESTABLISH THE FIRST CATHOLIC CHURCH IN DUNKLIN COUNTY

(By F. A. Behymer)

GLENNONVILLE, Mo., February 21.—On a mild winter day Father Peters, coming from the holy hour for servicemen at the church, paused and swept the familiar scene with his eye—the tiny town and the fat lands that encompassed it and the weariness that had been upon him fell away. It was for this that he had toiled through 38 years. He had planted and God had given the increase. All was well in the colony.

Into the woods and swamps the father went 38 years ago to clear them and colonize them for the good of men's souls and the greater glory of the church. Into them he had put his life, losing it but finding it in the losing.

On an autumn day in 1905 Father Frederick Peters, serving a church at Jefferson City and destined, people said, for a high place in the priesthood, was called to St. Louis by Archbishop Glennon. The prelate told the priest of his plans for Catholic colonies. Down in the St. Francois Valley, in Dunklin County, he had bought 16,000 acres for one such colony. "I would like for you to go down there," he said. "I think you are the man for the place."

Father Peters might without impropriety have demurred, but he didn't. Asked now if it was gladness or obedience that had its way with him, he answered simply, "I was obedient." He told his superior he would go where he was sent and do his best.

So to the town of Malden on November 3, 1905, came Father Frederick Peters to begin the new life that had been planned for him. Through timber and waste of waters he rode horseback until, 11 miles from town, he came to higher ground. There, he decided, he would take his stand and raise the cross and call men made of the stuff of pioneers to come and follow him. That was the launching of the colony and of the first Catholic parish in Dunklin County.

One thing that Father Peters had made up his mind about was that he would pick his people. They must be men and women with the hearts of pioneers who would be able, no matter what came, to take it. He knew two men in St. Louis who filled the bill and called them to follow him. They were Jim Hogan, an Irishman, and Ed Bihr, a German. That made it two to one, with Jim on the short end, because Father Peters was of German birth.

The three men, strangely assorted, but pioneers all, made their way through the waters

to the higher land which was to be the colony's heart. There was nothing in the way of a habitation there except the deserted cabin of a chopper who had worked for the tie company that had taken out the best of the timber. They took it over and made it their home, the first house in the tiny town of Glennonville that was to be. For a parish church Father Peters acquired a shabby shed that had been the tie company's commissary, and placed at its roof-peak the cross that was to be the colony's symbol. It was a church that would do until a better could be built.

The cut-over timber the tie company had left was the only subsistence the land offered until it could be cleared and drained and the water-soured soil cured and brought under cultivation. For the timbermen who would come and the families that would follow there would have to be shelter. Lumber was the primary need.

The lumber was there, in the trees, but a mill was necessary to saw it up. A sawmill was set up. The need for lumber was so urgent that for more than a year the priest, lacking another to do the work, handled the lever. During the first and second years he sawed more than a million feet of lumber. With the assurance of shelter, families picked and invited by Father Peters began to come in, the first ones from Howard County, Mo. Later several families came from Jasper County, Ind., also by invitation, and on their recommendation others came.

The sawmill was not the only industry in the earlier days. To hasten the clearing of the land and to give employment while this was under way, the priest set up barrel heading, stave, and ax handle plants, which operated under his direction, employing 30 to 40 men. Over a period of 8 years thousands of handles, millions of barrel heads and millions of staves were turned out and sold in the cities.

Most of the families that came to make new homes in a new land were large or became large in due course. There had to be a school for the children. The first one was built of logs, to be followed by frame structures for grade and high schools, in which, although they are part of the public-school system, the teaching is done by the Ursuline Sisters of Mount St. Joseph, Ky. All the children are Catholic except those of seven families that were there before the colonists came and stayed on.

Through the years the floods that came down the St. Francois and spread over the valley were the colonists' greatest trials. Many seasons their crops were destroyed, too late for replanting. As early as 1908 an attempt was made to solve this critical problem. Under a 20-year plan a great drainage district was formed. It helped but it was not until the Wappapello Dam was built that the long fight was won. "Now the floods are over," says Father Peters, "thanks be to God."

Now that the colonizing project has won through to success and a rating as the best in the United States, the colonists say, "thanks be to God and Father Peters." Thanks be to Father Peters because without his advice and guidance they would not have come through. He was not only their spiritual pilot but he was the best farmer of them all. Father Peters would not say that, but it is true that from the beginning he took it upon himself to find out all that was to be known about the farming problems that were peculiar to the colony land. He was equally diligent in telling them what was good or bad for their souls and what was good or bad for their soils.

He is also the doctor of their bodies, for with more than a little medical knowledge he renders first aid in all emergencies, even to the setting of bones, with the approval of the doctors of the region, who know his skill.

In the field of public relations Father Peters was and is the voice of the parish, pressing always for needed improvements and consulted constantly by State and Federal agencies because of the confidence felt in him. It was through his efforts that 30 miles of roads were built with county aid after he had surveyed them. He was active and influential in the promotion of the Wappapello Dam. He is a member of the Harbors and Rivers Commission at Washington, was a member of the W. P. A. local board and vice president of the Ozark Border Electric Cooperative, the largest in Missouri, with 750 miles of energized wire and with over 700 miles waiting to be attached after the war. He is active in the promotion of public-health measures, and his advice is sought by the Farm Security Administration.

In the depression, when so many banks failed, the colony farmers lost over \$50,000. Now there has been established a Credit Union bank which is considered the best in southeast Missouri.

Now that the days of difficulty and struggle are ended and success has been won, Father Peters' greatest satisfaction is that all the families who came pioneering at his bidding, stuck through thick and thin, enduring the hardships and keeping the faith. When the people were disheartened and about to give up Father Peters said to them: "Stay with us, people, we're going to get through somehow." They stayed.

That morning when he came from the holy hour for servicemen at the church it was not so much the weariness of his years pressing upon him as the burden he bore for the grief and anxiety of his people, the 300 who had prayed in the church for the soldiers' return. Spring will soon come, and sowing in its season, with no fear of floods, and after that the harvest. Except that there is yet no promise of peace, all is well with the colonists of Glennonville Parish, and Father Peters is thankful and content.

Amending Price Control

EXTENSION OF REMARKS

OF

HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

*Tuesday, May 13 (legislative day of
Tuesday, May 9), 1944*

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Amending Price Control," published in the New Orleans Times-Picayune of June 10, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMENDING PRICE CONTROL

By passing several of the proposed amendments to the price-control law, Congress would contribute to price inflation, black markets, and enforcement difficulties. To impede the stabilization program now is clearly no way to fight the war.

One amendment proposed by Senator BANKHEAD would definitely tend to raise clothing prices, which already are gravely troubling the O. P. A. Clothing has gone up 7 to 8 percent in 2 years through authorized price raises and has slumped enormously in quality. Stabilization Director Vinson told the Senate committee that the change would cause an increase in the price of textiles and give the mills a special bonus without add-

ing a red cent to what the grower gets for his cotton.

Another proposed amendment would tend to raise the level of rents by tying the hands of the O. P. A. enforcement division with red tape. The war might be over before some violators could be brought to account and then, in all probability, they would escape penalties for their disservice to stabilization. Still another modification of the present law, already approved by the Senate, would open the way to ceiling violations and more black markets by freeing violators of liability if they presented evidence that the breach was unintentional.

No frontal attack on price control and stabilization has been made because the country is well aware that only stern control can prevent runaway prices and general chaos. But as O. P. A. Administrator Bowles says, attempts are being made to kill price control with kind words. Proponents of modification pose as strong supporters of stabilization, yet singly and in the aggregate their amendments would weaken restraints where restraints are most necessary and obstruct enforcement, which already is the weakest feature of the program.

On the whole the O. P. A., the War Food Administration, and the War Production Board has not done badly. The necessary weapons and food have been produced and within the limitations imposed by Congress, public sentiment, and the need for popular cooperation, a sincere and commendable effort has been made to apply and enforce appropriate price ceilings. Congress should not permit itself to be misled by narrow interests or partisan considerations into tampering with the laws under which the control agencies have been able to operate effectually. Insofar as we have observed public sentiment favors reenactment of the price-control law as it now stands.

Do We Want Profit Control?

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. SHAFER. Mr. Speaker, sitting as a Committee of the Whole House Monday, Congress refused to adopt my amendment to the Price Control Act which, in effect, would have instructed the Office of Price Administration to keep its hands off of profit control.

The "steam roller" was well greased and working smoothly when this amendment was, too briefly, discussed. Under a motion that had been previously adopted, no supporting arguments were permitted, and the membership saw fit to follow the gentleman from California [Mr. OUTLAND] and voted it down. This is to be regretted, because the issue was far too important to be so lightly dismissed.

We will hear much more about profit control in the future. In order that the membership may be better informed when the matter is again brought before us, I ask permission to extend my remarks and include an excellent statement prepared by Dr. Ivan Wright, professor of economics at Brooklyn College

and executive secretary of the Economists Committee on Reconversion Problems:

COMMON SENSE ABOUT PROFIT CONTROL

The American people want the cost of living held stable during wartime, when shortages of most goods are unavoidable. They know that, while the fighting goes on, the Nation cannot produce all the goods required to satisfy every demand of both the armed forces and civilians. Willingly, they accept such inconveniences and sacrifices as are incident to price control and to rationing by the Office of Price Administration.

Price control. Yes.

But in setting ceiling prices for certain goods, the O. P. A. has gone much further. It has undertaken to regulate profits as well as prices.

Profit control is a horse of a different color. Profit control tampers with the very mainspring of our economy. If the profit motive is to be ruled out of our economy, production will dry up. Jobs will disappear. The whole structure of American business will topple.

The purpose of this statement is to spell out in simple terms the issues involved in profit control. What is at stake is nothing less than the survival of the system of free enterprise which made this country great, and which can make us greater still in the era of peace that we all hope will follow victory in the bloody conflict now raging around the globe.

If the O. P. A. should clamp down a rigid limit on profits during the post-war era, it would be a major disaster not only to industry, but to labor which wants jobs in industry, and to the farmers who look to labor and to industry for markets for their products.

Let us see just what is involved in this question of profit control.

FROM WAR TO PEACE

Some day, we hope soon, this war will be over. Some day the drums of war will roll out only to give cadence to the steps of our boys as they swing up Main Street through cheering throngs in final victorious review before doffing uniforms for "civies," and returning to their homes, families, and the jobs they left behind.

Before that day comes this country must be ready. The millions who left jobs to go to war, or to do work in aircraft plants and shipyards, expect to find those jobs, or adequate substitutes, when they return. The Nation's economy must be made ready to provide those jobs. It must be made ready also to give work to millions of others who went to war as boys without a place in the economic scheme of things, but who will return as men who have earned the right to have jobs. And there will be a third large group for whom jobs will be needed—the dependents of those who won't be coming back or will come back permanently disabled. These will have to become breadwinners.

JOBS—THE BIG POST-WAR PROBLEM

Basically, no discussion of the reconversion period or the post-war period to follow can be separated from the really fundamental problem that must be solved—the problem of post-war employment.

In plain language, if we hope to have a peaceful peace at home when the war ends, we must plan our reconversion to a peacetime economy so that it will be lush with employment opportunities for the ten-million-odd veterans who will be seeking them, along with the other millions who will be released from war plants.

This problem cannot be chalked up on a blackboard for solution. It is a problem in human lives, etched in broken hearts, blasted careers, mangled limbs, orphaned children,

widowed young matrons, bereft parents of missing sons, blood, sweat, and tears.

PROFITS MAKE JOBS

You cannot separate profit from the free-enterprise system. They are inseparable. As Prof. John V. Van Sickle, of Vanderbilt University aptly put it:

"The capitalistic engine is built to operate with the fuel of profits and the lubrication of confidence."

Take away profits and you take away the incentive to produce. Take away profits and you take away jobs. Take away profits and you take away the urge to keep costs down and to offer better quality at lower prices. Take away profits and you take away the private enterprise system. Regulations unduly limiting profits thus go to the heart of our economic system.

The profit motive has been widely recognized in both peace and war. When we wanted an expanded output of agricultural products, what did we do? We permitted farm prices to rise and fixed high support prices so that it would be more profitable to produce the required items. When we desired to expand the output of war goods, workers were induced to migrate to war-production centers by offers of higher wages. Contract-renegotiation officials of the armed forces have allowed profits up to 20 percent, and more to war contractors. No matter where we turn in our economy, we find evidences of the catalytic role played by profits in stimulating production.

PRICE CONTROL, PROFIT CONTROL, AND CONGRESS

The main objective of wartime price control is to prevent inflationary increases in the cost of living. Inevitably, such control over prices has some incidental effect upon profits.

But profit control has been made, in certain directives of the Office of Economic Stabilization and orders of the Office of Price Administration, an end in itself rather than an incident. When the O. P. A. undertakes to control profits rather than prices, it hits at the heart of the free-enterprise system, to which we look for the millions of post-war jobs that will be needed after victory has been won.

These attempts to control profits do not stem from the law itself. Congress has shown a full understanding of the key role of the profit motive in expanding output and lowering costs.

Again and again the Congress and its committees have acted to conserve and safeguard the profit motive. The Emergency Price Control Act of 1942 says that ceilings shall be adjusted for "general increases or decreases in profits." Congressional committees have criticized cost-plus contracts severely on the ground that they take away the incentive to cut costs.

At the same time Congress has permitted no profiteering in this war. It passed an excess-profits tax to take away 95 percent of profits above a level specified as normal. On sales to the Government prices are subject to renegotiation where they produce excessive profits. As previously noted, however, profit margins up to 20 percent have been allowed in individual renegotiation cases because of extraordinary efficiency, inventive contributions, or the assumption of unusual risks.

UNCERTAINTY FOR BUSINESSMEN

The desire to control profits for their own make manifested by O. E. S. and O. P. A. has created an unhealthy tension in business circles everywhere, particularly among manufacturers of consumer goods.

Businessmen have become convinced that Government directives and orders which seek to control profits for its own sake are inspired or written by employees of Government bureaus who want to change our eco-

nomic system in essential respects. These bright young men, who have been glibly critical of the private enterprise system in the past, want to substitute bureaucratic regimentation for our free economy. Profit control would be one effective way to do this.

Now, we are not going to solve the thorny problems that lie ahead if our manufacturers become jittery, fearful from day to day of new efforts to squeeze profit margin by Government decree. Yet that is exactly what is happening. Businessmen, large and small, who must provide the know-how and the venture capital for enterprise must be able to see and plan ahead, so that they can take steps to recover their costs and earn a reasonable return if they are efficient. Profit control by Government makes this impossible.

Some people say: "Suppose businessmen are jittery. What of it? Who cares?"

The answer is that when businessmen are unable to make a profit, no matter how well they run their enterprises, they will curtail or abandon operations. This means fewer jobs and less goods. Unemployment and a falling standard of living will result.

TWO PERCENT OR NOTHING—VINSON

The much discussed Vinson directive, the most inclusive profit-control measure yet issued by a Government agency, had its origin in the disappearance of many low-priced textile lines from the market because manufacturers could not keep pace with rising costs except by turning out higher-priced lines. The result was hardship for low-income consumers, who had to buy higher-priced goods or do without certain products. Under these conditions, there developed pressure to expand output of the disappearing low-priced lines.

A program was finally evolved under which the W. P. B. would make available the materials required to produce low-priced items, and the O. P. A. would permit adjustments in price ceilings so that manufacturers would not lose money on such production.

Since a rise in ceiling prices was involved in this plan, approval of the Office of Economic Stabilization was required. Director Vinson issued a directive to W. P. B. and O. P. A. on November 16, 1943, laying down the principles to govern such price ceiling adjustments. This directive limited profits to 2 percent, before taxes, in all such ceiling adjustments. It was not made public at that time, although excerpts were finally released to the public on December 13. The published excerpts revealed the amazing fact that, instead of being confined to low-priced lines, the directive applied to all "essential civilian goods." Clearly, advocates of profit control for its own sake had scored a great victory within the Office of Price Stabilization.

The directive caused such consternation in business circles that Director Vinson issued a "clarification" on January 26, 1944. In this second statement, he explained that the first order "was intended to apply primarily if not exclusively to the field of basic textiles and apparel. At the suggestion of the W. P. B. officials * * * it was broadened to include other essential consumer goods. This has served, however, to create so much misunderstanding that I am constrained to revert to the original purpose and intentment of the directives. Therefore, it will in the future apply only to textiles and apparel."

But, after thus seemingly narrowing the troublesome term "essential consumer goods," Director Vinson then went on to say:

"Problems arising in connection with shortages of other consumer goods where price adjustments are involved shall be presented to this office (O. E. S.) on an individual basis, for treatment which is consistent in principle with that provided for textiles and apparel."

With one hand, Director Vinson sought to reassure manufacturers of civilian goods other than textiles. With the other, he gave profit control right back to them—in spades.

The Vinson directive made 2 percent, before taxes, the maximum profit in such price-ceiling adjustments. But where a manufacturer reports profits, once again, before taxes, more than double those earned in the 1936-39 base period, no profit whatever over costs would be allowed. Here was profit control with a vengeance.

Manufacturers, naturally, were profoundly disturbed, particularly the thousands of smaller concerns for whom civilian-goods manufacture had become an urgent, immediate problem. As large prime contractors increased their efficiency, and as they received notice of cut-backs on their war orders, they tended more and more to pull in their subcontracts. This hit smaller manufacturers who were working on these subcontracts. Considering the substantial investment required for reconversion and the risks involved, these smaller manufacturers could not see how they could undertake to return to their peacetime operations under a 2-percent or no-profit-maximum rule.

JUST NOTHING—BOWLES

The Vinson directive tried to limit profits to a maximum of 2 percent. In April, the O. P. A. decided to go the O. E. S. one step better by providing that price ceilings for many products could allow no profit at all.

A very important price order applicable to many consumers durable goods is MPR 188, which covers such products as household furniture, office equipment and machines, dental supplies, commercial kitchen utensils, and similar items. The amendment to this order issued in April provides that, when setting ceiling prices of these products to permit resumption of their manufacture, the Office of Price Administration will make them high enough to cover only manufacturing, packing, and shipping costs. Where a manufacturer's entire operation is actually being conducted at a loss, the ceiling price could be high enough to cover selling and administrative costs as well.

Here, profit control for its own sake reaches its logical end—the elimination of profits. What would this mean to our post-war economic system? How can industry be expected to provide millions of new jobs if it can only recover costs, and no more, regardless of how good the products sold or how economically they are manufactured and distributed?

LET'S BE SENSIBLE ABOUT THIS

We don't want to have post-war inflation. We don't want to have a post-war depression. We don't want to have post-war unemployment.

Rigid profit control creates conditions that may bring on all of these evils. By discouraging reconversion and curtailing production, profit control curtails the supply of goods, thus paving the way for a runaway price rise. Reduced production, also, spells depression and unemployment.

It is axiomatic that if we are to avoid inflation, we must have adequate production. We are not going to get production if capital and management are scared away through fears instilled in businessmen by efforts to control profits for its own sake.

Let's not monkey with this thing. It is too important. The Nation must not permit personal differences, political differences, ideological differences, and other clashes of viewpoint to take our eyes off the ball. Our country's problem is to see that there is full opportunity for employment for all who want to work when the war is over. Anything that even threatens to impair the solution of that problem must be discarded in the common cause.

Our country's war production triumphs which followed conversion from a peacetime

¹ Has Private Enterprise a Future?—Trusts and Estates, May 1944.

economy have been the industrial miracle of the ages. It has been praised as such even by Marshal Stalin. This triumph was not accomplished by rigid profit control. It was made possible by the dual incentives of reasonable profits and the patriotic appeal which caused both labor and capital to turn out the best that was in them. Let's take a leaf out of the book of conversion in solving our reconversion problems, particularly since the patriotic motive necessarily becomes less potent once hostilities cease.

Let's be sensible about this thing.

We Are at the Crossroads

EXTENSION OF REMARKS

OF

HON. HOWARD J. McMURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. McMURRAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial by Charles E. Broughton, fighting Democratic editor of the Sheboygan Press:

WE ARE AT THE CROSSROADS

In a two-party government such as we have members of both parties owe it to the Government to enter full tickets, not only in the primary but in the general election.

Unless you have a State ticket and candidates for the assemble and senate in every district you are promoting absentee voting. The same is true of a county ticket. When the two conventions, the Democratic and Republican, are held in Chicago nominees will be offered to the people and platforms adopted. Unless we have complete State legislature and county tickets we are playing into the hands of those who would like nothing better than to upset much of the legislation that has been enacted in the last 11 years.

When President Roosevelt went into office in 1933 we had the most pathetic situation in all history. We had soup kitchens in operation and people starving while others had plenty. The purchasing power of the Nation had broken down and factories were closed; banks had already closed in many instances and we were in mortal terror as to what was to happen. Revolution was in the making, and that same situation will recur again if we are not guardians of our own destiny.

You can't expect to win a Presidential election without a united front here at home. You can't have partial tickets and expect to combat a well-organized and well-greased machine. There isn't a member of the Democratic or Republican Party who doesn't owe it to his Government to get out and see that the tickets are filled and then follow through with an organization aimed to win an election. We have 48 States, and unless every State is linked up to the national election with a complete ticket we may sacrifice the electoral vote in that particular State.

You will recall back in the time of the Wilson-Hughes election the results finally rested upon one State, and we doubt very much today whether Mr. Wilson would have been elected if Charles Evans Hughes had not passed Senator HIRAM JOHNSON up when he visited California, normally Republican. They resented the slight and voted for Wilson.

We point to California as an example of what can occur in any election if we fail to organize, or if, as in the case of California, we overlook a bet. We are much concerned about Wisconsin, with only 6 days to the final filing of nomination papers. True, if a candidate withdraws, the party's State central committee can fill the vacancy, but that

is never as successful as an aroused sentiment in support of a conference-endorsed candidate or one whose nomination papers have been filed and who is a candidate in the primary.

Supposing Mr. Roosevelt were to run for reelection or be drafted at the coming convention; that would not insure Wisconsin's electoral vote for him. It takes a mighty organization knitted together in every one of the 71 counties to insure that result.

It is with this in mind that we appeal to the people in this county and every county in the State to have a full county ticket; and if you have no candidate for Congress, draft someone and draft him now.

Democratic National Committeeman Thomas King has done a good job as far as his duties are concerned, but it takes more than one man to bring about victory. He has consented to run for State treasurer, in order to fill the ticket. It takes a mighty big man to accept this responsibility, but he was equal to the test.

The Republicans have numerous candidates and ample funds and they are prepared to give the Democratic Party a real test as to strength. It would be a source of keen regret if the American public were to face defeat because the people were willing to accept all the benefits of the last three administrations and did nothing in return—in other words, shirked their responsibility.

Up to this time no Republican candidate who is an avowed enemy of isolation has been able to muster strength in the party opposing the Democrats. The old war horses want to name their candidate, and they want an isolationist and a Roosevelt hater. They want to go back to the days of Harding so that they can dictate a candidate. We had a Harding and a Coolidge and a Hoover, and the fruits of their labors resulted in financial disaster. The voters would be short in memory if they encouraged a return to those days. Social Security, aid for the unfortunate, and a return to isolation would undo all the benefits that have accrued during the last 11 years. The foreclosures on homes and farms are not so far back that we can forget.

Yes, we can gamble in this election and lose the fruits of our labors. We can invite another disaster. Following a war, there is bound to be prosperity, but what of 10 years hence? Will we be in the saddle for a depression or a war, or will we make this war a final one? That question will be decided in the coming election, for the winners will make the peace.

Naturally Mr. Roosevelt has made enemies by his fearless stand, his intense desire to win the war irrespective of party success. The Old Guard is at the signpost hoping to profit by those who think they have been subjected to certain restrictions or hardships. Measure these by the hardships of the men and women in the service, and they are mere trifles. America must awake if it would prevent another war, and make the United States a breathing and living democracy, and play its part in a just and lasting world peace.

Address of William H. Webb, Executive Vice President, National Rivers and Harbors Congress

EXTENSION OF REMARKS

OF

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. CANNON of Florida. Mr. Speaker, under leave to extend my remarks in

the RECORD, I include the following address of William H. Webb, executive vice president, National Rivers and Harbors Congress, before the Propeller Club of the United States, port of Miami, Fla., Monday, May 22, 1944:

Mr. President, members of the Propeller Club, and distinguished guests: It is a great privilege and pleasure for me to join with you in the twelfth annual celebration of National Maritime Day. I have been for several years a member of the Propeller Club of Washington, D. C., and New York City, and am familiar with the splendid work of your organization on behalf of the American Merchant Marine. The National Rivers and Harbors Congress through the years has cooperated closely with your national headquarters on many matters of mutual interest.

Strange as it may seem, this is the first time we can say truthfully that the American Merchant Marine is sitting on top of the world. We now have the greatest tonnage any nation has ever possessed in the history of shipping.

Statistics are dry, but in round numbers we have about 50,000,000 tons. The shipbuilding and ship-repairing and conversion industry has done one of the greatest production jobs of all times. It was done under the pressure of war, but every real American—especially you men gathered here—wants to see the result of this war production redound to our benefit and advantage after the war.

The national president of the Propeller Club of the United States during his recent visit to Miami explained how important our merchant fleet is going to be in the peace negotiations. The colorful phrase that Commander Tode used was that our shipping will be "the blue chips at the peace table," and he sounded a very serious warning that this country should not let itself be hornswoggled out of the advantage it now has. I cannot add much to that message but when the time comes I hope this community through its citizens, through you men, your Congressmen and Senators, will stand up and demand that we do not lose any advantages we have gained.

It has been our past experience that after wars we always slide back because public interest is not sufficiently maintained. We must not let that happen again. The press of your city is alert to the problem, and I want to quote briefly from an editorial that commented on Mr. Tode's visit. The Miami Herald said:

"We can take our rightful place as a great maritime nation after the guns are stilled if we let common sense dictate that we must not fritter or give away with peace what we have amassed through the travail of war, but capitalize on our merchant-fleet potential to strengthen national defense and benefit our economic security."

No speech that I could make on this fundamental problem could compete with the evidence of men like Admiral Land and Admiral Vickery which will appear in tomorrow's newspapers. Consequently I am going to give you a somewhat different talk.

As all of you may not be familiar with the work of the National Rivers and Harbors Congress, permit me first to tell you something of our organization, its scope, and purposes. The National Rivers and Harbors Congress is a nonpartisan, nonprofit association, dedicated to the improvement and development of the inland waterways and harbors of the United States.

Originally organized in the year 1901, it was a pioneer in the struggle for the protection of our national resources and has taken a leading and active part in this fight for more than four decades.

All Members of the Senate and House of Representatives are honorary members of the Rivers and Harbors Congress, and many of

them take an active part in its work. The officers of the Corps of Army Engineers engaged in river and harbor work are likewise ex officio members of the Congress.

The active membership of the congress is composed of States, cities, chambers of commerce, waterway and similar associations, firms, and individuals, numbering upward of 25,000 located in every State in the Union. Among its members are many nationally known public officials, as well as outstanding leaders in the business and professional world.

The organization has for its purpose the promotion of continued improvement of the Nation's rivers, harbors, lakes, and waterways, and the investigation and approval of justifiable waterway projects throughout the country. It provides a forum for discussion of all problems relating to water development and use, serves as a clearinghouse for coordinating the activities of local and sectional organizations, and affords a means for securing united action by all the interests concerned with the various phases of water development.

It is generally the policy of the congress to follow the recommendations of the United States Army Engineers in advocating projects, and it is in no sense an organization which approves any project of the pork-barrel type. Virtually every bill passed by the Federal Congress for improvement of harbors and waterways has been composed almost in toto of projects previously investigated and recommended by the National Rivers and Harbors Congress.

The projects endorsed by the congress upon the recommendation of its projects committee, composed of an outstanding waterway leader in each of the engineering divisions of the United States, are vigorously and continuously advocated for inclusion in the Government's public works program and appropriations or allocations of funds sought therefor.

May I emphasize that the National Rivers and Harbors Congress is not sectional or regional but national in its scope. It looks at the whole Nation and the general welfare of all. It rejoices to see railroads, airways, and highways develop and prosper. Our organization is interested not only in the improvement of maritime and inland navigation, in river and harbor development, but it is also concerned with flood control, the generation of hydroelectric power, irrigation, reclamation, conservation of our soil and forests, and the utilization of our land and water resources. We deal with the very things that are so vital and necessary to our war effort and support these projects which are essential to the safety and defense of the Nation.

I want to say also that there is a Government agency to which the obligation of the people runs, an agency which for generations has enjoyed the esteem, the confidence, and the respect of the American people. I speak of the Corps of Engineers of the United States Army. I know that a grateful country and a grateful posterity will remember the high standards of conduct and the fine quality of vision which that corps has contributed and will continue to contribute to the welfare of America.

Your Virginia Key project was so capably presented before our projects committee by Professor Hart, Captain Sharlow, and others, that they induced the committee and the Congress to give it a No. 1 rating. We were glad to work with your able representatives, and now the bill which will authorize and adopt the project is in the final stages of legislative enactment.

We have been delighted to learn that you have created a port authority. I need hardly tell you that having a single responsible unit charged with port matters should expedite

your progress. Most of you know that community dissension and confusion have hampered your progress in the past.

Through our mill in Washington come hundreds of projects. Many of them are of extreme local importance but we are compelled to take the national point of view. So are the various departments of the Government that are charged with executing the projects. When the National Rivers and Harbors Congress endorsed Virginia Key, we felt its development would be a national asset, not merely a local benefit, and now it is up to your properly constituted authorities to see to it that Virginia Key becomes an accomplished fact.

We may assume that this will be done, so let us look at south Florida for a moment from that national point of view I mentioned a few moments ago. It is commonplace that you are a great winter resort and that you consequently have a great deal to contribute to the health and recreation of the Nation but those of you who have seen the Virginia Key briefs filed with the Army engineers know that this alone is not a sufficient economic justification for a great harbor. In your briefs you set up a case of economic justification on previous population growth, cargo gains, and trade potentialities that won the approval of the Army engineers. But you cannot let it rest at that. You must implement potentialities that have been used in your argument of economic justification.

Let me take my cue here from an address made before this club on this same occasion in the year 1940 when you celebrated Maritime Day. Your speaker at that time was Col. R. A. Wheeler, then resident member of the Board of Engineers for Rivers and Harbors. This same Colonel Wheeler is now Gen. R. A. Wheeler who was recently the subject of an article in the Saturday Evening Post because of his great war accomplishments. Men of General Wheeler's capacity do not make statements lightly. In the course of that speech in 1940 he made several references to the fact that this area should develop its back country. Not only did he have in mind the immediate usufructs such as edible vegetables but he pointed out you should take advantage of numerous agricultural products that can be processed for industrial purposes.

In the course of looking over information that is forwarded to us from this area I find that the Propeller Club of Miami has been a proponent of extending Miami River via the Miami Canal to Lake Okeechobee.

Considering the numerous political subdivisions and rival interests that are involved, you have a big job on your hands, but in nearly 20 years in waterway work I have seen a great many extremely complicated and involved set-ups successfully solved in other sections of the country.

The National Rivers and Harbors Congress, as I have said, is interested in water control and soil conservation as well as in navigable waterways. The Propeller Club project for extension of Miami River to Lake Harbor would serve all three of these purposes. It would open up some 1,200 square miles of the most productive land in this area, and through locks and other water-control methods you could check the dangerous oxidation of muck soil, prevent the fires that have filled this area with smoke, and provide a perpetual water supply for the city of Miami.

The omnibus rivers and harbors bill, H. R. 3961, authorizes surveys of a number of projects through the central part of the State to which this Miami-Lake Okeechobee waterway would provide a final link and open up a vast area for water transportation. From the national point of view this Lake Okeechobee-Miami link would complete a continental pattern of the utmost significance.

Four years ago General Wheeler told you to pay attention to agricultural development, and it is plain what he was driving at. The Army Engineers do not merely look at facilities on an urban water front, but they take into consideration the entire tributary area. The Okeechobee watershed is unquestionably one of your great tributary areas. In this section you have the greatest winter farm production within easy reach of northern markets. But that is not all. In those vast acres you also have resources of an agricultural nature that can be developed and processed into some 1,500 manufactured products. You already have a big sugar mill. I understand a \$20,000,000 starch mill is being built; that there are numerous plastic products contemplated, and that the cattle business is also going forward by leaps and bounds. You have the opportunity for the development of any number of industries based on your distinctive climatic and soil conditions. From a national point of view it is the contribution that you can make by taking advantage of these resources that fits you into the national picture—enables you to make a contribution to the national economy that perhaps no other area within the boundaries of this country can offer. All of these things will increase your port business, your wholesale business, and your retail business.

Your club has made such a signal contribution in the preparation of material that won approval for Virginia Key and the Intra-coastal Waterway that I am confident when you put yourselves down to it you can make out as energetic and as well documented a case for your back country as you have for your terminal and deep-water facilities on the sea lanes.

And now just a word about foreign trade. My good friend, Tom Lyons, of the Department of Commerce, was here last January to tell you about a foreign trade zone. He also spoke about aviation's role in the post-war period. I have heard that some people were surprised he did not confine himself to waterborne commerce. Anyone who does not face the progress of aviation in cargo-carrying, frankly is going to be left far behind. Also he is going to miss the boat if he ignores aviation as a passenger carrier. The practical, big steamship lines are not so short-sighted. They have today on the drawing board revisions of ship plans that take into account competition by airplanes. One of the things Mr. Lyons brought out in his speech, which I have read with great interest and which was widely published, is the fact that before you can put in a foreign trade zone you have to make a thorough economic survey to find out what purposes it can serve. Such a survey should be made regardless of whether you apply for a foreign trade zone later because without it your foreign trade progress can only be made by fumbling in the dark and hoping that you will stumble on something good.

Miami is one of the cities credited with being able to hold its war gains in population. There is ample proof that it cannot only hold these gains but should make new ones. Your marine program should not merely keep pace should be several jumps ahead.

And now in closing may I express on behalf of the National Rivers and Harbors Congress the great pleasure we had in staging our last convention in your magic city just 3 weeks before Pearl Harbor. The pleasant memories of that event are still fresh in our minds and we look forward to returning after the war to your fair city, glamorous, entrancing, beautiful, inspiring Miami, that glitters and gleams and nestles like a diamond buckle upon the slippered foot of Florida.

home owners today are able to obtain one loan up to 80 or 90 percent of the F. H. A. property valuation. Instead of mortgages due in 3 to 5 years, with uncertain and high renewal fees, home owners today can obtain mortgages payable in monthly installments over a period up to 20 or 25 years without need of renewal and without paying a premium for that privilege. The F. H. A. has succeeded in reducing the interest rate on the mortgages it insures to the point that the average home owner can pay for his property, pay the interest, taxes, hazard insurance, and mortgage insurance at an average monthly cost of about \$37—often less than he would pay for renting a comparable house.

The F. H. A. affords home owners a measure of protection never before available and nowhere else now available. For the first time in history inexperienced home owners have an unbiased agency to which they can turn for aid to avoid the dangers and pitfalls of home ownership. Home owners for the first time have the benefit of impartial appraisal of their properties by trained valuers. Through the insured-mortgage system home owners may obtain better planned, better built, and better financed homes than ever before—homes built in attractive, well-planned neighborhoods.

In financing their home purchases with F. H. A. insured mortgages borrowers have the satisfaction of knowing that they are buying a home upon a basis that is within their earning power. Reducing the number of properties sold at a sacrifice as a result of the borrower having bought beyond his means, it also has proven an effective aid in stabilizing the real-estate market.

In addition to the tangible benefits that have accrued to individual home owners, builders, and industry through the National Housing Act, there have been major benefits to the national economy. Within a 10-year period the F. H. A. has not only made home financing possible at uniformly low cost throughout the entire country, but has made insured home mortgages marketable securities any place in the Nation. This is a remarkable accomplishment, for previously it had always been assumed that mortgage transfers were almost exclusively limited to local transactions.

While the great bulk of insured loans have been originated and held by local financial institutions, a sound, dependable secondary market for insured home mortgages has been developed. The marketable quality of these mortgages has resulted from uniform methods of underwriting, requirements of good building and property standards, and the establishment of these mortgage loans on a sound investment basis. Backed by the United States Government, these loans are safe investments that can be bought and sold with confidence by financial institutions at any time, in any place.

To stabilize home-mortgage financing the National Housing Act recognized that home mortgages must be marketable. To this end the act provided for the chartering of national mortgage associations empowered to deal in insured

mortgages. The soundness of that feature of the act has been demonstrated by the formation and activity of the Federal National Mortgage Association which has provided the necessary mechanism to assure the marketability of these mortgages. The creation of a secondary mortgage market has been effective in bringing an ample supply of home mortgage funds on F. H. A. terms to all sections of the country.

Insured mortgages brought within the range of conservative investment have provided financial institutions with a profitable outlet for funds that had previously been difficult to place. These funds—largely the savings of millions of depositors—are safeguarded by mortgage insurance. Home mortgages thus have been given an investment status that provides financial institutions with assets or collateral upon which to obtain emergency loans. In case of foreclosure, the insured-mortgage plan provides lending institutions with negotiable interest-bearing securities in place of temporarily unmarketable properties. Safeguarded by mortgage insurance some 9,000 national banks, State bank and trust companies, insurance companies, savings and loan associations, and other financial agencies have been enabled to invest nearly \$6,000,000,000 in over a million and a quarter long-term amortized mortgages on residential properties.

The war has emphasized the emergency value of the National Housing Act. Without mortgage insurance private capital would not have assumed the risks involved in financing housing built in rapidly expanding war-industry areas. Through the application of techniques and insuring policies successfully developed by the F. H. A. under peacetime conditions, private industry has been enabled to build approximately 330,000 dwelling units for occupancy by essential workers in war industries. It has been estimated that loans of over a billion and a half dollars insured by the F. H. A. have financed at least 85 percent of the Nation's privately financed wartime emergency-housing needs, and has relieved the Federal Government of the immediate outlay of this large sum of money.

Losses experienced under the National Housing Act thus far have been low. Out of more than four and one-half million property improvement loans insured in 10 years, defaulted notes have numbered only 4 percent of the total volume. Recoveries on these defaulted notes have reduced total claims paid by F. H. A. to 1½ percent of the total amount insured. In 10 years the F. H. A. has found it necessary to take possession of only 4,000 properties—virtually all of which have been sold—out of 1,055,000 mortgages insured under title II of the act. Losses chargeable to the handling of these properties have been more than offset by the \$3,700,000 in prepayment premiums paid by mortgagors who have paid their mortgages in full prior to maturity. Out of 356 large-scale housing projects financed with insured mortgages, the F. H. A. has been forced to take possession of only 18. Out of nearly 250,000 mortgages on war housing in-

sured, the F. H. A. has had to take over less than 1,500 to date.

On the occasion of the F. H. A.'s tenth anniversary Congress should be congratulated on its wisdom and farsightedness in enacting this highly successful piece of legislation. F. H. A.'s 10-year experience will be invaluable in providing the facilities for financing the large volume of housing that must be built after the war ends. F. H. A. also will be in a position to aid the financing of the large amount of repairs and improvements to dwelling properties that have of necessity been deferred during the war period. It has been demonstrated that insured mortgage and loan financing is a powerful stimulant to the vital home-building industry. The National Housing Act provides the means whereby private industry can immediately begin to function—go from a war to peace basis, and put men to work in peacetime occupations—after victory is achieved.

The Honeybee Goes to War—Beeswax Needed for War Uses

EXTENSION OF REMARKS

OF

HON. HAROLD C. HAGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. HAGEN. Mr. Speaker, northwestern Minnesota is a territory of bread and milk and honey truly in fact. We raised considerable wheat and we produced a lot of milk and honey last year, and we will again this year along with much other farm crop.

In the 15 counties of the ninth district, there are almost 400 individual farmers and city people who keep bees for honey production. Bees are doing their part in the war effort, because the products which are made from honey are essential in the production of numerous war articles. Beeswax is needed for war uses.

A statement with reference to this was recently issued by the War Food Administration of the Department of Agriculture, which reported that more than a million pounds of beeswax a year are needed for use in war products—in adhesive tape used for sealing shells—as waterproofing and protective coatings for shells, belts, coils, and machinery, especially when shipped into warm climates where ordinary grease would run off—and as protective coverings for our fighting planes.

Because it is of great interest to bee keepers of the Nation and the public as well, I herewith insert a copy of a radio address delivered sometime ago by Mr. James W. Gwinn, president of the American Honey Producers League, of Madison, Wis. The speech which was entitled "The Honey Bee Goes to War," follows:

Because of the increased production of livestock and livestock products brought about by the war emergency, the Govern-

ment suggests large increases of all legume seeds. At least 28 percent more alsike seed and 54 percent more red cloverseed should be produced. Wisconsin and Minnesota produce large quantities of these seeds and should contribute its share of this increased program.

Red, alsike, and white dutch clovers are practically self-sterile and depend on cross-pollination to produce seed. Research at many experiment stations—particularly Ohio—shows that when pollination insects are excluded from clover blossoms, not more than one to three seeds develop per head. Under maximum honey-bee pollination, alsike enclosed in cages, yielded 120 to 155 seeds per head. This would represent from 15 to 20 bushels per acre.

Research studies in many seed-growing localities reveal that natural pollinating insects, such as bumblebees, solitary bees, flies, butterflies, etc., are entirely too few to insure profitable seed crops of alsike and red clover. Such fields would have to be cut for hay because of poor seed set. The magnitude of the work of pollinating an acre of alsike clover is apparent when we consider that there may be from 300,000,000 to 500,000,000 blossoming florets per acre. It has been found that when a field of alsike were within a mile of a commercial yard of bees ranging from 40 to 200 colonies, the number of seeds per clover head was from 41 to 90.

Experimental work has also shown an alarming scarcity of natural pollinating insects on red-clover bloom. Bumblebees are our best red-clover pollinators, but because they are so few in number, they cannot be depended on. Of the more than 20 different kinds of insects that pollinate red clover, the honey bees are responsible for from 75 to 85 percent of such work; bumblebees 13 to 17 percent, and all others 2 to 5 percent.

White dutch clover, so desirable in pastures, are largely dependent on honeybees for pollination and the production of seed. During the drought years of 1930, 1934, and 1936, these shallow-rooted clovers were killed. In those areas where honeybees were plentiful volunteer crops appeared as soon as moisture and weather conditions were favorable, due to the fact there were seeds in the soil.

The most immediate method for meeting the clover-seed quota suggested by the Government, is for farmers located within 1½ miles of commercial bee yards, to place every emphasis on clover-seed production.

Throughout the southern and eastern part of Wisconsin, and in parts of Minnesota there are hundreds of commercial bee yards ranging from 40 to 100 colonies of bees in a yard. Each colony of bees which has been well managed, should contain 60,000 or more worker bees. Thus where 40 to 100 colonies are located, there would be concentrated at a focal point from 2,400,000 to 600,000,000 of the best type of pollinating insects available.

At best, red clover is a poor seed producer. During favorable years clover seed yields 2 to 4 bushels per acre for red clover and from 4 to 7 bushels per acre for alsike clover, providing there are enough pollination insects present to insure cross-pollination of the clover.

What has been said about cross-pollinating legumes is just as applicable for fruits and vegetables. Most people have some appreciation that the honey bees are the only source of honey and beeswax. Few realize, however, that although the beekeeping industry in the United States produces in excess of 200,000,000 pounds of honey and 4,000,000 pounds of beeswax annually—these are merely byproducts—and that its principal role is in the pollination of many agricultural crops for the production of seed and fruit. Without the help of insects to effect pollination, many species of plants will not set seed or produce fruit no matter how well they are cultivated, fertilized, and protected from disease and pests.

The following fruits and vegetables are more or less dependent upon the honey bee for cross-pollinating agency; apples, apricots, blackberries, raspberries, blueberries, cranberries, gooseberries (who wants gooseberries?), grapes, cucumbers, peaches, pears, muskmellons, plums, strawberries, water-melons, asparagus, broccoli, brussels sprouts, buckwheat, cabbage, carrots, cauliflower, kale, kohlrabi, onions, peppers, pumpkins, radishes, rutabaga, turnips, etc. To make myself clear, we do not need the honey bee to grow the aforesaid crops, but we do need the honeybee to fertilize the seed that produces these crops.

As has been previously pointed out, the natural pollinating insects, such as bumblebees, solitary bees, flies, butterflies, etc., are too few to insure adequate pollination. The reasons for their scarcity are several; as the elimination of the old rail fences, heavy grazing, forest, brush, and grass fires, increased areas of cultivation, rotation of farm crops, drainage of swamp lands, good roads and fast automobile travel. Do you recall the dead insects on your windshields and clogged radiators? Poisoning from insecticides.

When nature shows a proper balance between plants and pollinating insects, both plants and the insects flourish. Agricultural development, however, has seriously interfered with this balance. It has demanded the growing of certain plants in enormous acreages, and unwittingly, destroyed native pollinating insects, as well as their nesting places. As a result the burden of pollination has been increased to such an extent that wild bees are no longer adequate or dependable, particularly where agriculture is highly developed.

Then owing to conditions brought about by the present war, the beekeeping industry must be safeguarded. Beekeeping can be mastered only through years of experience. It cannot be learned as a trade. The fact that bees have a propensity for stinging, discourages many persons from keeping bees, and only certain persons possess the proper temperament to be beekeepers.

The Government needs honey and they need it badly. The Government needs beeswax, they need it badly, too. Most of all, it is imperative we have the best possible pollinating agency—the honey bee that we may secure better seeds, fruits, and vegetables—so "the honeybee goes to war."

In Memoriam

EXTENSION OF REMARKS

OF

HON. MAURICE J. SULLIVAN

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. SULLIVAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following poem, by John Henry Curtin, from the Las Vegas Morning Tribune, Las Vegas, Nev., of June 6, 1944:

IN MEMORIAM

Underneath a shattered palm tree on a sandy,
wave-lapped shore
Lies a husky lad of 20—maybe less or maybe
more.
He is just the sort of youngster you have seen
on your home street;
And, if you were halfway friendly, he was
mighty nice to meet.
You have seen him on the football team you
have in your high school;

Or maybe playing basketball, quite snappy as
a rule.

He wasn't any angel, and he wasn't very bad;
Just the normal sort of youngster you would
like to call you "Dad."

You may go ahead and praise him, but he
won't hear what is said;

For, although it seems he's sleeping, the trouble
is—he's dead!

He's "the price we pay for victory" in counting
up the cost;

He's the simple, silent reason that we won
instead of lost.

They can't hear our lovely speeches, as we
decorate the graves;

But these dead upon the beaches kept us all
from being slaves.

So, I wonder, in memoriam, recalling sacrifice,
If we can't do more than utter empty words
that sound so nice.

For the lad beneath the palm tree, and our
brave dead everywhere,

Will sleep in peaceful slumber—when we show
we really care!

Bankhead Amendments to the Price- Control Bill

EXTENSION OF REMARKS

OF

HON. BRENT SPENCE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Fred M. Vinson, Director of the Office of Economic Stabilization, on June 5, 1944:

The Senate Banking and Currency Committee, over the protest of a minority of its members, has reported out a bill to extend our price-control and stabilization laws. Included in the bill thus reported out is the Bankhead amendment.

This amendment is designed to increase the price of all cotton textiles. It will not add a red cent to what the cotton grower is now getting and it will cost consumers hundreds of millions of dollars. The only group that can benefit from this amendment are the textile mills, already making profits nine times as great as they made before the war.

So far as the cotton grower is concerned, present ceiling prices of cotton textile products are already at levels which enable the mills to pay parity prices for cotton. The consumer is already paying for parity cotton. The farmer is not getting parity, however, which means that the mills are keeping part of the return supposed to go to the grower. The mills are able to get cotton cheap because, while supplies are large, the manpower they can get has been falling off and the amount of cotton they can use is decreasing.

The further increase in the prices which the Bankhead amendment would compel consumers to pay will not increase the manpower in the industry, will not increase the amount of cotton which the mills can use, and will therefore add not 1 cent to the cotton farmer's income. It will simply increase the already high profits of the mills.

Even if the farmer could get parity through this amendment—which he can't—it would be a thoroughly bad way of doing the job. For the Bankhead amendment will increase the returns to the mills by \$150,000,000 to \$200,000,000 a year, while it would cost only \$50,000,000 a year to pay parity prices to the

farmer. What sense does it make to give the mills \$4 in order to enable them to pay one? And there is nothing to indicate that they will pay even the \$1 though they receive the four. If they aren't paying parity now, although they are financially able to do so, they won't pay it under the Bankhead amendment.

In 1943 the cotton textile industry earned nine times the dollar profits it averaged in peacetime. The industry earned 33 percent on its net worth, that is, what the owners actually had invested in the business. This compares to their peacetime return of 4.3 percent. Under the Bankhead amendment, if the mills pay parity prices, their earnings will still be increased to a level 14 times their peacetime average and to 50 percent on the money invested in the business. But if they don't pay parity—and I don't think this amendment will make them pay parity—then for the first 4 months after passage of the act the mills will be earning at an annual rate 16 times their peacetime average and at an annual return of 60 percent on net worth.

There is a simple and direct way of getting a parity price for the cotton grower. That is by increasing the loan rate on cotton. An amendment to do this has also been reported out by the Senate Committee on Banking and Currency. If this amendment is enacted the grower's problem is solved, solved the only way that is possible and solved without presenting consumers with a second bill for parity and without further inflating textile profits, which are already ample to pay the full parity price.

I fully share Senator BANKHEAD's concern about the prices cotton farmers are receiving and the prices consumers are paying. Furthermore, I know that Senator BANKHEAD is absolutely sincere and earnest in his purpose, even though I completely disagree with his amendment. But I can't see any point in going all around Robin Hood's barn when there is a direct route, and I don't see how we shall ever get to our goal if we steadily back away from it.

The Bankhead amendment is a devastating blow at our stabilization policy. If the cotton industry obtains from Congress a special bonus at the housewife's expense, other pressure groups will not let themselves be ignored.

The pressure group parade has started. I earnestly hope the Senate will call an early halt.

Jobs—Who Will Provide and Pay for Them?

EXTENSION OF REMARKS

OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1944

Mr. HOFFMAN. Mr. Speaker, recently the press has carried many statements on the subject of jobs after the war is over. With war production out of the picture, there will be many idle factories, many jobless workers, unless private industry or the Government provides new work.

We know that Government jobs can be paid for only by taxation or borrowing and that borrowing cannot continue indefinitely. That leaves to pay for Gov-

ernment-controlled factories, Government-provided jobs, only taxation to be levied upon the people themselves. It is evident to every thinking person that there is an ever-lessening number of primary producers; that is, tillers of the soil, miners, and those having to do with production directly from the earth. That group cannot continue to bear ever-increasing burdens placed upon them by either Government jobs or jobs at excessive wages.

Now think that through and you will see that the demand that the Government provide, after the war is over, jobs for everyone at union wages, is impossible of realization. Especially is this true if the unions insist that those who have money are to create and maintain the factories and pay the wages demanded by union leadership.

Union leadership constantly refuses to provide jobs but it demands that someone else provide the jobs and pay the wages fixed by it. That just will not work out and the sooner we all face the facts and get on a sound working basis, the quicker the true solution to this very serious problem will come to all of us.

An editorial from the Baltimore Sun of June 2 gives one slant at the problem. That editorial is as follows:

Regard with respect those sit-in workers at the Long Island City plant of the Brewster Aeronautical Corporation. They are pioneers of the new economic order. They have developed a new pressure-group technique, which might be called the strike in reverse. They have put across their point, not by refusing to work, but by refusing to stop work.

More than this, their point itself represents a new labor principle. They have successfully asserted a claim (though it doesn't yet have the status of a legal right) not only to have jobs but to have those jobs where they want them to be and at their current rates of pay.

Where they want them, of course, is at the Long Island City plant of the Brewster company. Representatives of other war industries have made them offers—indeed, would love to hire them. The War Manpower Commission has stated that 11,000 jobs are "immediately available" in the nearby New York City area, more than enough to accommodate the full 9,000 on the Brewster plant lists. But those Brewster employees want to keep on working right where they have been working, and the administration has obediently accepted that proposition. Pressed to it by President Roosevelt himself, the military procurement agencies are trying to re-juggle the military production program to meet the wishes of the Brewster workers.

This is, it must be admitted, a novel complication in the planning of military production. If it becomes an accepted part of the procedure, soon or late it is bound to raise the question whether military production is being undertaken primarily to provide our fighting men with the weapons they need or to suit the convenience of the war workers.

Mr. Speaker, there are many other approaches toward the difficulty which will surely confront us when the war is over and it behooves labor leaders to give some sound, constructive consideration to the problem, instead of making impossible demands.

Japanese on the Pacific Coast

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. ANDERSON of California. Mr. Speaker, there have been constant rumors circulated recently to the effect that the War Relocation Authority was planning to release persons of Japanese descent to return to the Pacific Coast where they have been excluded by military order. In an effort to clarify the situation I recently addressed letters to Henry Stimson, Secretary of War, and Dillon Myer, Director of the W. R. A., asking them to inform me of the official attitude of both agencies on this vexing question.

For the information of the Congress and the country I am inserting herewith the replies which I have received:

DEPARTMENT OF THE INTERIOR,
WAR RELOCATION AUTHORITY,
Hon. JOHN Z. ANDERSON,
House of Representatives,
Washington, D. C.

DEAR MR. ANDERSON: This will acknowledge your letter of May 31 reporting rumors that evacuees are going to be permitted to return to their homes on the Pacific coast despite objections of the War Department.

The exclusion of persons of Japanese descent is by military order and the order can be revoked only by responsible military authorities. The War Relocation Authority at all times observes the military order. There has been no announcement by the military that the coastal zone is to be reopened to persons of Japanese ancestry. There have been, however, a few instances in which permission to return to the restricted military area has been granted by the Western Defense Command to evacuated persons.

Sincerely,

D. S. MYER,
Director.WAR DEPARTMENT,
Washington.

Hon. JOHN Z. ANDERSON,
House of Representatives,
Washington, D. C.

DEAR MR. ANDERSON: I have your letter of May 31 concerning the War Department's official attitude toward the return of Japanese to prohibited areas.

Under Executive Order 9066, the authority to exclude individuals suspected of subversive or disloyal activities from sensitive areas was given to the War Department and is exercised for California by the commanding general, Western Defense Command. As you know, the present exclusion of persons of Japanese ancestry was undertaken solely for military reasons, it being deemed advisable due to the impossibility of determining quickly the individual loyalty or disloyalty of the large Japanese population in west coast areas.

However, the military necessity for their continued exclusion is under constant study and surveillance by both the War Department and the Western Defense Command, and any forthcoming changes in policy which would result in the return of such persons will hinge entirely on changes in the military situation. Consequently, it is impossible to predict at this time when the War Depart-

ment estimate of the situation will warrant their return to the west coast. Obviously, we are maintaining constant liaison with the War Relocation Authority and other Government agencies and are keeping them currently informed of the War Department's policy on exclusion.

I trust this will serve your purposes and appreciate your bringing your concern over the matter to my personal attention.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

Service Folks Should Be Allowed More Gasoline When Home on Furloughs

EXTENSION OF REMARKS OF

HON. HAROLD C. HAGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. HAGEN. Mr. Speaker, it is my desire and intention to offer an amendment to the Emergency Price Control Act today, but I was advised that my amendment would have been ruled out on a point of order. Therefore, I take this occasion to advise the House relative to my amendment even though it could not be considered.

My amendment was as follows:

Such act of October 2, 1942, as amended, is amended by inserting at the end thereof the following new section:

"SEC. —. The Administrator is hereby directed to put into effect a schedule of gasoline rations for members of the armed forces while on furlough, giving due consideration to whether the applicant has been on overseas duty or stationed within the continental limits of the United States, and further scheduling one amount for the first furlough in any 1 year, and lesser amounts for a second or subsequent furlough in any 1 year."

The least the country can do to show its appreciation for the sacrifices of returning servicemen is give them a decent allowance of gasoline. The paltry 5 gallons allowed at the present time is shameful and a disgrace considering the automobiles one sees regularly at race tracks and other places of recreation on the home front. The reason a man is given a furlough by the Army or Navy is that he may have a rest at some lake resort or seaside, a hunting trip or a visit to friends or relatives in the country.

To my way of thinking, extra gasoline used by a furloughed overseas serviceman is "essential driving" and he should be given an adequate amount—even at the sacrifice of home front pleasure seekers.

This amendment would also correct what I feel is a very unfair arrangement under the present system of doling out furlough gasoline.

At the present time a serviceman may be so fortunate as to be stationed at a camp near his home and receive frequent furloughs. He might be able to get 5 gallons of furlough gasoline each time he comes home. Another soldier from the same town may be stationed at a camp in the extreme part of the country and

only get one furlough in a year. He only gets 5 gallons.

I feel that the Administrator should set up a schedule of say 15 gallons of furlough gasoline for the first furlough in any one year, 10 for the second furlough, and 5 for the third, or some proportionate schedule. It is most unfair to the man returning from overseas on his first furlough in 2 years to receive only 5 gallons for his rest period in which he may desire to go fishing, hunting, or visiting, or get away at some quiet lake where he can forget what he has been through. I hope my amendment will carry.

The following editorial from the Fergus Falls (Minn.) Journal brings out the absurdity of the present system:

TREATING ALL ALIKE?

A Minneapolis paper tells of a soldier, Sgt. Lynn Channing, who came home on a 30-day furlough after 18 months fighting in the South Pacific. His brother offered him the use of his car and told him he could secure some gasoline from the Minneapolis ration board. He went to the board, and was told he could have 5 gallons of gas. That was the rule for soldiers home on furlough.

While waiting in line to present his application, he had talked with a young soldier from Fort Snelling, who told him he had had three furloughs in 6 weeks and had gotten 5 gallons allotments each time. The soldier home from overseas battles was entitled to only 5 gallons after 18 months.

The matter has been carried to higher authorities and an exception will probably be made in his case, but the story brings out glaringly the absurdity of some governmental rules and regulations.

To the Flag

EXTENSION OF REMARKS OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following article entitled "To the Flag" by Bishop Richard J. Cushing, D. D., administrator of the archdiocese of Boston, which appeared in the Boston Sunday Advertiser, June 11, 1944:

TO THE FLAG

(By Bishop Richard J. Cushing, D. D., administrator of the archdiocese of Boston)

Flag Day. Every day is flag day, yet we have done well to dedicate one day as no other in the year is dedicated.

Many are the interpretations of the red, white, and blue, but the whole has but one meaning—union. Union in itself is beautiful, but we do not live or die for a mere union; union is nothing without its purpose. Men are united in one State for the purpose of working their way back to the Heavenly Father who made them. If there were no purpose beyond the State itself, the tragedy would be dark indeed. Where the divine purpose is clear, the man who fights lives a life of flag days, face to face with the things of the soul. And those that die, die well. For they go to death full of the love of life, know-

ingly sacrificing their will to the inscrutable goodness of God.

Let us also learn from them. For the sacrifice they are so plainly making in these days of the invasion is the same that underlies our own daily decisions. Every union involves sacrifice. Because our flag expresses the Union of the United States, it expresses some sacrifice of sovereignty by every State—a sacrifice of liberty by every citizen. And the fruit of sacrifice is peace.

This is our consolation as the crosses are planted in foreign fields, and to family after family comes the word that one they loved has made the supreme sacrifice for flag and country. These loved ones have found their way home to their Heavenly Father and the fruit of their sacrifice will be peace.

Without the offering of these young lives, there could be no peace.

"Our hearts to you, our country,
And take the pledge we give,
To love, to bear, to suffer,
To die that you may live;
And though beneath your banner
We fall, our names untold,
Thank God, if we have filled it
With service stars of gold."

Support Price Victory

EXTENSION OF REMARKS OF

HON. ALBERT GORE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. GORE. Mr. Speaker, under permission to extend my remarks in the RECORD, I include the following article from the Tennessee Farm Bureau News of July 3, 1941:

ALBERT GORE SCORES VICTORY ON C. C. C. BILL—
FARM BUREAU BACKS GORE'S BILL TO PROVIDE
FOR AT LEAST 85 PERCENT PARITY ON C. C. C.
PURCHASE FOOD. IS SUCCESSFUL

The farm bloc in Congress won another major victory recently with the passage of an amendment to the appropriations bill for purchase of food for relief and for distribution to other nations under the Lend-Lease Act providing that no purchases be made at less than 85 percent of parity.

This is designed to give protection to producers of nonbasic commodities similar to that provided basic crops under the C. C. C. 85 percent parity loans.

This measure was written and introduced by one of our own State's most able Congressmen, ALBERT GORE of the Fourth District. Edward A. O'Neal, president of the American Farm Bureau Federation, threw the strength of organized agriculture behind the measure when it was up for consideration before the committees of the Senate and House.

High praise for Congressman GORE's work to protect the income of agriculture was voiced by Mr. O'Neal, and passage of the amendment marked the completion of another great victory for agriculture during this session of Congress.

As first introduced by Mr. GORE, the measure provided for 100 percent parity, but stiff administration opposition to this plan brought about a conference between the opposing groups, with all agreeing upon 85 percent. However, it should be pointed out that with no action, those in charge could have hammered down prices to any figure they desired, which would have been very injurious to producers.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 15, 1944, for actions of Wednesday, June 14, 1944)

(For staff of the Department only)

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HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to conference report on this bill, H.R. 4443 (pp. 6008-9). (For provisions of the conference report, see Digest 103.) Agreed to Rep. Tarver's (Ga.) motion to recede and concur in the Senate amendments relating to salaries of the Chiefs of FS and BAE and the Administrator (pp. 6009-10). Rep. Tarver moved to insist upon disagreement to the Senate amendment relating to proposed increases in salaries of veterinarians and lay assistants in the field service of BAI after which Rep. Gillie, Ind., moved to recede and concur in these same amendments (p. 6010). Action was not completed on either motion, but several Members spoke in favor of Rep. Gillie's motion to which Rep. Tarver stated, "If we start raising salaries...for field employees of one bureau we are going to find ourselves confronted...with requests from numerous other organizations of the Government for similar consideration, and, unless we are prepared to go the whole way and increase the salaries of everybody who make out an equally good case, we should not begin by establishing this precedent, at this time" (p. 6012).
2. INDEPENDENT OFFICES APPROPRIATION BILL. Received the second conference report on this bill, H.R. 4070 (p. 5983). The conference report, among other things, limits to four the number of field offices that the Budget Bureau may establish outside D.C.; prohibits use of CSC funds for salaries and expenses of the Legal Examining Unit; strikes out the Senate amendments relating to TVA financial operations and restores the House language; and strikes out the Senate amendment providing for Senate confirmation of persons receiving \$4,500 or more and restores the House language prohibiting the use of funds to pay any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve of such nomination. The amendments relating to covering TVA receipts into the Treasury under one fund (House) or into the general fund of the Treasury (Senate) and to the marking and use of Government vehicles were re-

ported in disagreement.

3. PRICE CONTROL; RATIONING. Passed with an amendment S. 1764, to amend the Price Control and Stabilization Acts (pp. 5985-6007). Agreed to Rep. Spence's motion to consider this bill, after passing H.R. 4941, and to his amendment to substitute the House language therein (p. 6007). Rep. Spence, Brown of Ga., Barry, Monroney, Wolcott, Crawford, and Gamble were appointed conferees (p. 6007).
Agreed to Rep. Pace's (Ga.) amendment requiring processors of agricultural commodities to pay producers prices established by law before the processor can charge or collect maximum prices for his products (pp. 5992-4).
Rejected amendments by Rep. Crawford, Mich., 103-189, to prohibit the establishment of maximum prices on agricultural commodities which will reflect to producers a price lower than the price standards established by Public Law 729, 77th Cong., amending the Price Control Act (pp. 5985-91); by Rep. Borwn, Ga., 87-191, relating to maximum prices on cotton textiles (pp. 5991-2); and the following amendments that had been agreed to in the Committee of the Whole: By Rep. Disney, Okla., 178-204, relating to price ceilings on petroleum and requiring such prices to be not less than 80% of parity and not more than parity (p. 6005); by Rep. Gifford, Pa., 107-200, to provide that fish prices shall reflect the highest average price for such commodity for the year 1942, or reflect to producers prices or wages equal to the highest wages or prices paid to such producers (p. 6006); and by Rep. Towe, N. J., to strike out the word "general" in Sec. 202 (J) so as to give the Price Administrator more authority to eliminate inequities in cases where the maximum price is based on specifications or standards in use (p. 6006).
4. LEND-LEASE, UNRRA, AND FEA APPROPRIATION BILL. Reps. Cannon of Mo., Woodrum, Ludlow, Snyder, O'Neal, Rabaut, Johnson of Okla., Taber, Wigglesworth, Lambertson, and Powers were appointed conferees on this bill H. R. 4937 (p. 5984). Senate conferees were appointed June 13.
5. NAVAL APPROPRIATION BILL. Received the conference report on this bill, H.R. 4559 (pp. 5983-4). The conferees struck out the Senate provision for the resale to the original owners of Okla. land found to contain oil after acquisition by the Navy.
Rep. Voorhis, Calif., urged rejection of the Disney oil amendment, the Dirksen court review amendment, and the Cravens amendment "setting up a brand new theory of jurisprudence" (pp. 5981-2).
6. LEGISLATIVE PROGRAM. Majority Leader McCormack announced that the agricultural appropriation bill conference report will go over until Mon., June 19; and that the conference report on the independent offices appropriation bill will be considered tomorrow (June 15) followed by the War Department appropriation bill and other conference reports (p. 6015).
7. DISBURSING OFFICERS. Received Treasury's proposed legislation to authorize certain transactions by disbursing officers of the U.S. To Expenditures in the Executive Departments Committee. (p. 6016.)
8. WAR PROGRESS. Military Affairs Committee submitted an interim report pursuant to H. Res. 30, authorizing a study on the progress of the war effort (H. Rept. 1638) (p. 6016).

SENATE

NOT IN SESSION. Next meeting June 15, Thurs.

BILL INTRODUCED

9. **SMALL BUSINESS; POST-WAR PLANNING.** By Rep. Buffett, Nebr., H.R. 5019, to create and expand post-war employment and opportunity by encouraging the establishment of small businesses. To Ways and Means Committee. (p. 6016.)

ITEMS IN APPENDIX

10. **FOOD ADMINISTRATION.** Extension of remarks of Rep. Miller, Nebr., including an Omaha Daily Journal Stockman editorial concerning the "confusion" which is caused by the Government trying to regulate the business of producing pork (pp. A3237-8).
Rep. Miller, Nebr., inserted his address concerning the problems facing the cattle industry stating that the problems "have been brought about to a great extent by too much planning on the part of governmental agencies" (p. A3245).
Rep. Gillie, Ind., inserted resolutions from the USDA War Board for Allen Co., Ind., criticizing WFA hog price ceilings for northeastern Ind. and urging that support prices apply to all weights of hogs (p. A3254).
11. **FORESTRY.** Rep. Coffee, Wash., inserted U. S. Forester H. J. Andrews address, "Problems Facing Forest Communities in Washington" (pp. A3242-3).
12. **PRICE CONTROL.** Extension of remarks of Rep. Scanlon, Pa., commending OPA (p. A3250).
Extension of remarks of Rep. Hartley, N. J., favoring his amendment permitting free competition at or below established OPA ceiling prices, to the price-control bill, H.R. 4941 (p. A3257).
13. **VETERANS.** Extension of remarks of Rep. Weiss, Pa., commending and describing the provisions of the so-called GI Bill of Rights bill (pp. A3251-2).
14. **BANKING AND CURRENCY.** Rep. Sullivan, Nev., inserted a Nevada State Journal article, "Many Millions Prefer Silver as Money Base—Stocks Depleted as Industrial Use Expands" (p. A3252).
15. **PERSONNEL.** Rep. Keogh, N.Y., inserted a Municipal Finance Officers Assn. resolution favoring his H.R. 4883, to extend retirement pension and annuity payments up to \$1440 a year (pp. A3254-5).

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For additional information and copies of legislative material referred to, call Ext. 4654 or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

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BILL APPROVED BY THE PRESIDENT

16. **DEBT LIMIT.** H.R. 4464, to increase the debt limit of the U.S. to \$260,000,000,000 and to reduce from 30% to 20% the cabaret taxes. Approved June 9, 1944 (Public Law 333, 78th Cong.).

ITEMS IN FEDERAL REGISTER

June 13, 1944:

17. COMMODITY CREDIT's authorization to persons engaged in the business of buying and selling corn to purchase and sell corn acquired by CCC (p. 6486).
18. PLANT QUARANTINE. Acting Secretary's flag smut quarantine notice (pp. 6389-90).
19. TRANSPORTATION. ICC's icing permits for potatoes and reconsignment permits for various vegetables (pp. 6461-4).
20. FARM WAGES. National War Labor Board's wage and salary adjustments for Maine potato packers and shippers (p. 6395).
21. PRICE CONTROL. OPA's orders for automobiles, canned clams, coal, eggs and egg products, fats and oils, fish and seafood, lumber, milk and milk products, rubber commodities, shoes, and grain and pork in the Virgin Islands.
22. RATIONING. OPA's orders for processed foods, meat, fats, fish, cheeses, and shoes.
23. ELECTRIFICATION. REA's allocation of funds for loans (p. 6459).
24. LABOR STANDARDS. Wage-Hour Division's notice of issuance of learner employment certificates to various industries (p. 6460).
Wage-Hour Division's notice of opportunity to petition for review of determination in the La. cane sugar industry (p. 6460).
25. FOOD DISTRIBUTION. Assistant War Food Administrator's amendment to WFO 98 (Am. 3) relating to the purchase of corn acquired by CCC (p. 6390), miscellaneous amendments to the cotton warehouse regulations (pp. 6387-9), WFO 39, Am. 1, on restrictions on use, processing, and refining of tung oil (pp. 6390-1), WFO 42, Am. 8, on restrictions on the use of soap (p. 6391), and WFO 53, Am. 4, on the restrictions on use and distribution of animal oil, neat's foot oil and red oil (pp. 6391-2).
26. PRIORITIES. WPB's orders for chemicals, containers, dairy and milling machinery production quotas, domestic electric ranges, shovels, and steel tubing.

June 14, 1944:

27. TRANSPORTATION. ICC's permits relating to fruits and vegetables (pp. 6571-2).
28. PRICE CONTROL. OPA's orders for mixed feeds, food products, furs, iron and steel products, oil burner services, products having editorial and informational content, rice, tires and tubes (Government purchases), and veneer.
29. RATIONING. OPA's orders for institutional users of sugar, ration books for imported laborers, and sugar.
30. FARM LOANS. FSA's designation of Ohio localities eligible for loans (pp. 6581-2).
31. MARKETING QUOTAS. Assistant War Food Administrator's 1944-5 marketing-quota regulations for burley (pp. 6487-92) and flue-cured (pp. 6492-7) tobacco.
32. FOOD DISTRIBUTION. WFO 22-6, Am. 1, on canned vegetables and juices and canned fruits and juices (pp. 6497-8).
33. FARM WAGES. Assistant War Food Administrator's notice of hearings and designation of presiding officers (p. 6581).
34. PRIORITIES. WPB's orders for cotton-textile distribution and glass containers.

Mr. MAY. The second amendment results from the striking out of the Navy. Mrs. ROGERS of Massachusetts. I understand this is entirely satisfactory to the Navy, that the Navy is taken care of as it is under present law?

Mr. MAY. That is my understanding.

The SPEAKER. Without objection, the House recedes from its disagreement to the amendment to the title of the bill. There was no objection.

CALL OF THE HOUSE

Mr. ROBINSON of Utah. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 88]

Arnold	Granger	Patman
Baldwin, Md.	Harless, Ariz.	Peterson, Ga.
Bell	Horan	Plumley
Bolton	Kee	Price
Boren	Klein	Rabaut
Burdick	Lemke	Randolph
Cannon, Fla.	Lewis	Smith, Maine
Capezzoli	McCord	Stanley
Dies	Magnuson	Stearns, N. H.
Ellis	Mansfield, Tex.	Stewart
Fulbright	Meirow	Treadway
Fuller	Mills	Whelchel, Ga.
Gallagher	Murdock	White
Gibson	Norton	
Gifford	O'Connor	

The SPEAKER. On this roll call 383 Members have answered to their names; a quorum is present.

On motion of Mr. McCORMACK, further proceedings, under the call, were dispensed with.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4941) to extend the period of operations of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, from June 30, 1944, to June 30, 1945, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 4941, extension of the Emergency Price Control and Stabilization Acts of 1942, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday the time was fixed on this section and all amendments thereto at 45 minutes.

Allow the Chair to read the names of those who were standing and whose names were listed at the time the time was fixed: Mr. WHITTEN, of Mississippi; Mr. CAMP, of Georgia; Mr. WHITTINGTON, of Mississippi; Mr. COOLEY, of North Carolina; Mr. HAYS, of Arkansas; Mr. PACE, of Georgia; Mr. HARE, of South Carolina; Mr. RANKIN, of Mississippi; Mr. WOLCOTT, of Michigan; Mr. CRAW-

FORD, of Michigan; Mr. SPENCE, of Kentucky; and Mr. McCORMACK, of Massachusetts.

Mr. McKENZIE. Mr. Chairman, I was standing and requested recognition.

Mr. GATHINGS. Mr. Chairman, I was standing and asked for recognition.

The CHAIRMAN. The Chair will state that the Clerk made out the list and wrote the names down at the time the time was fixed.

Mr. GATHINGS. Mr. Chairman, I stood only three rows back.

The CHAIRMAN. Does the gentleman from Louisiana [Mr. McKENZIE] state that he was standing and seeking recognition when the time was fixed?

Mr. McKENZIE. Yes, sir; I said I was standing and I thought I had been recognized.

The CHAIRMAN. Was the gentleman from Arkansas [Mr. GATHINGS] standing and seeking recognition at the time the time was fixed?

Mr. GATHINGS. I was, Mr. Chairman.

The CHAIRMAN. The names of the gentlemen will be added to the list.

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. Mr. Chairman, do I understand the ruling is that no one outside of those gentlemen who stood up at that time will be permitted to have the floor as to the amendment now pending and all amendments pending?

The CHAIRMAN. It has always been customary when a limitation is placed on debate that those who were standing and seeking recognition at the time are listed by the Clerk and such time as is fixed by the Committee is then divided between those who are standing at the time.

Mr. SABATH. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. In view of the conditions that exist, that so many gentlemen who have risen and will be recognized are all on one side, I think the other side should be given a chance and an opportunity to be heard as well.

The CHAIRMAN. Of course, the answer to that is that the others should have been standing seeking recognition. If the Committee wants to change the time, it is up to the Committee.

Mr. SABATH. Mr. Chairman, many of them did not know that motion would be made, unfortunately, and now they are deprived of a chance of being heard.

The CHAIRMAN. The matter was voted on in the Committee yesterday. If the Committee wishes to change its previous action, it is up to the Committee.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment to the pending amendment, the Brown amendment.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] offers an amendment to the pending amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: At the end of the last sentence in the Brown amendment, add the following:

"In the case of any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity, within 60 days after the enactment of this act and thereafter, it shall be unlawful to establish or maintain a maximum price on any such agricultural commodity or on any commodity processed in whole or substantial part from any agricultural commodity, which will reflect to the producers of such agricultural commodity a price lower than the price standards established by section 3, section 8, and section 9 of the act of October 2, 1942 (Public Law 729, 77th Cong.)."

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized.

Mr. CRAWFORD. Mr. Chairman, the October 2, 1942, stabilization act sets up certain standards which were to be followed by the Administrator of Price Control, and the Economic Stabilizer. The Brown amendment, with the language I have offered added to it, will bring the Administrator and the Stabilizer into a position where they will have to conform to what the Congress set down in the act of October 2, 1942.

At no time, in my opinion, has the Congress intended that the Stabilization Act fix prices unalterably, or regulate profits. Certainly in the Stabilization Act of October 2, 1942, the Congress intended that the primary agricultural products receive, through the setting of price ceilings, no less than the price levels established in that act.

The amendment which I have offered would make it unlawful, within 60 days after the enactment of this act, to establish or maintain a maximum price on any agricultural commodity or on any commodity processed in whole or substantial part from any agricultural commodity, which will reflect to the producer of such commodity a price lower than the price standard set in the Stabilization Act.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BROWN of Georgia. I think the gentleman's amendment is a good amendment and I certainly shall vote for it myself.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. If the gentleman's amendment is agreed to, why is there any need for the Brown amendment, because your amendment covers all agricultural commodities and processed commodities?

Mr. CRAWFORD. I would not put that interpretation on the language which I have offered. But the two amendments, or the compound amendment, if you wish to call it that, would, in my opinion and in the opinion of many brilliant lawyers, Members of this House and the other body, accomplish what we desire. As the distinguished gentleman from Ohio, a Member of the other body, pointed out on page 5703 of the Record, "That this procedure which we are now about to take would restore a policy which worked satisfactorily at one time as it operates in a field where there has been a complete failure since that policy was abandoned."

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

[Mr. WHITTEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Georgia [Mr. CAMP] is recognized for 3 minutes.

Mr. CAMP. Mr. Chairman, in the moments that are allotted to me this morning I think I can explain in a practical manner just what my colleague from Georgia [Mr. Brown] meant yesterday when he stated that his best witness for his amendment was the textile representative of O. P. A. himself. He means to tell you that the ceiling prices placed on cotton goods at the cotton mill are so much lower than the ceiling price placed on goods in the retail store that this mill price may be raised without the necessity of having to raise the retail price to our consumers.

On yesterday I went into one of the recognized stores in Washington. I bought some cloth which I think will explain what I mean. I have here an ordinary print cloth, used by the ladies in making work dresses.

The cotton mill that manufactured that print cloth received 14 cents a yard for it. That yard of cloth cost 78 cents in the store in Washington yesterday. I want to go a little further. The reason it is so difficult to buy that cloth, the reason it is not in the stores of our country and not available to the American people is because the mills are not going to make that cloth at 14 cents a yard when they can make cloth at a much higher price per yard.

The textile prices at the mill have not been raised in 2 years; I mean they have not been raised one point since Pearl Harbor; they are exactly as they were.

Here is a piece of cloth called gingham which you can hardly buy anywhere because the mills are not making it. The mill that made this gingham received 20 cents a yard for it. There are three classes of ginghams and the ceiling price at the mill is from 19 to 21 cents per yard. Yesterday I paid 58 cents for this yard of gingham. Do you not see that the price to the mills can be raised a few cents so that the mills can make some of it at a normal profit and supply civilian demand?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. CAMP. I am afraid my time has almost expired.

Here is a yard of cloth you will recognize. It is seersucker.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CAMP. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes; this is very important.

The CHAIRMAN. Under the limitation of debate that has been agreed upon the Chair cannot entertain the gentleman's request.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent, if it be in order, that I may yield 1 of my 3 minutes to the gentleman from Georgia.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Georgia is recognized for 1 additional minute.

Mr. CAMP. This seersucker cost \$1 a yard in the store yesterday. The cotton mill got 42½ cents. The farmer gets 27 cents for the cotton in a suit of men's clothes made out of this seersucker; he gets 14 cents for the cotton in a dress made out of gingham and 9 cents for the cotton in a dress made out of the print, 4½ yards to the dress. There is room there to raise these prices so the civilian demands may be filled.

Mr. ROBSION of Kentucky. What does the seersucker sell for?

Mr. CAMP. One dollar a yard in the retail stores, for which the mills get 42½ cents.

Mr. JENNINGS. What does a seersucker suit cost?

Mr. CAMP. From \$9.75 to \$24.95; and the farmer gets only 27 cents for the cotton in it. Let us adopt the Brown amendment so as to reflect parity to the cotton grower and give the mill a little profit to manufacture these fabrics the civilians need.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 3 minutes.

PRICE CONTROL

Mr. WHITTINGTON. Mr. Chairman, the over-all profit, or price, is the yardstick that has obtained in textile ceilings. As was stated by the gentleman from Georgia [Mr. CAMP] it has resulted in inequities. There is a bottleneck in work clothes, low-priced fabrics are not being manufactured and there is need for the low-priced fabric. Work clothes are needed. They are necessary in the war effort.

It is said the situation can be remedied by regulation, but remedial regulations have not been made. That position is illogical. If that position could be maintained we would not have spent the last three days considering legislative amendments to price control but would simply have provided for an extension of the act for 1 year without any additional legislative provisions. I assert that regulation has not solved the problem. Promises have been made, but that is all. One and one-half billion yards less cotton cloth is being produced than was produced in 1942. One and one-half million bales of cotton less is being consumed. Something should be done to raise the ceilings on low-priced cotton cloth, and to provide for parity for cotton.

Regulation has failed, and over-all profit has failed. The House should undertake, therefore, to remedy the situation by the adoption of legislative provisions.

It is asserted that this amendment will cripple price control. It might as well be said that every other legislative amendment that has been proposed by the Banking and Currency Committee or adopted by the Committee of the Whole would cripple price control. In

truth and in fact the Brown amendment will remedy the inequities that have obtained, will provide for a reduction where excessive profits have been made. It is flexible enough to provide for profits where no profit is being made.

Low-priced fabrics are not being produced because the mills can manufacture better fabrics and obtain three or four times as much for them. I therefore assert that the existing over-all textile price ceiling program has failed. So far as I am concerned, standing for the fair administration of the Price Control Act as I do, I want to strengthen price control by the adoption of a legislative provision that will eliminate the bottleneck and provide work clothes to the consumers of the Nation, without increasing the costs to the consumer.

I assert as did the chief statistician of the Office of Price Administration that the adoption of the Brown amendment, the best solution of the perplexing problem that has been proposed, will not increase the price of textiles if properly administered.

I extend to say, while price control in war is essential, and while Chester Bowles has materially improved the administration, existing inequities that have not been eliminated by regulations should be removed.

The over-all profit in textile ceilings has resulted in inequities. Civilian requirements for work clothes have not been met. There is a scarcity of denims, ginghams, and low-price cotton clothes. There is a scarcity of the cheaper children's clothes and overalls. The high-price clothes will continue to be manufactured unless the ceilings on the low-price cloths are raised. I therefore favor the principle of the Bankhead, Brown, and similar amendments that will increase the ceilings for low-price cotton cloths.

While I favor flexibility in textile ceilings, and while I advocate increasing the ceilings for the work cloths, I insist that all ceilings based upon parity prices must reflect parity prices to the growers. I urge that if manufacturers do not pay parity prices to the growers, the ceilings should be based only on the prices paid. I insist on adequate ceilings, but I also insist that if manufacturers are to obtain ceilings, they must show that farmers have received parity.

I favor other legislation where regulation has failed.

I favor the removal of the oppressive regulations that have resulted in injustice to citizens anxious to comply with the law who have unintentionally violated the regulations.

I advocate that the utterly unfair practices in rent control be abolished. The purpose of control is not to harass but to provide for the welfare of the citizen by preventing inflation.

I advocate legislation to eliminate bottlenecks in civilian requirements and to abolish regulations in prices and in control that harass the citizen. Price control applies to all. There must be no black markets. There must be no willful violation of necessary regulations. Black markets must be utterly prohibited.

I advocate that ceiling prices be announced, if practicable, before planting, and certainly before harvesting.

Mr. Chairman, the over-all price or profit is the yardstick that obtains in textile ceilings as I have said. It has failed. It has resulted in failure to meet civilian requirements for work clothes. The textile ceilings as a whole have not remedied the situation. The repeated complaints have been made that while high-price cotton cloth is available, there is a dearth of denims, overalls and low-price cotton cloths. There is need for children's clothes. There is need for clothes for workers. The existing ceilings have not eliminated the problem.

It is urged that the matter can best be handled by regulations, but regulations have not remedied the difficulties. The condition has not been remedied. The existing regulations have not done the job. There is something either radically wrong with the textile price ceilings or with the administration of the regulations. Cotton cloth production is off from the high of 1942 by 1,500,000,000 yards. I repeat, Donald Nelson, Administrator of the War Production Board, is urging increased production. Cotton consumption is down 1,500,000,000 bales, as I have said. The cotton is available, but the goods are not being supplied.

The Brown amendment, which is materially different from the original proposed Bankhead amendment is offered as a solution of the complex problem. It is flexible. It is intended to increase the ceilings on the low-price cloths and at the same time it is flexible enough to reduce the ceilings on the high-price cloths.

It is said that the Administrator opposes the amendment. The answer is that no better solution has been proposed. The further answer is that the amendment is intended to eliminate the bottleneck, is flexible enough to provide for supplying the low-price clothing and at the same time to prevent increased costs to the consumers generally.

It is admitted that the problem exists. I am unwilling that nothing should be done about it. Citizens are entitled to work clothes. Inflation will be promoted if they have to continue to buy high-price clothes. Higher wages will be demanded.

Again it is urged that the proposed amendment will materially increase the cost of cotton textiles to consumers. Representatives of the Office of Price Administration in the information furnished to the Members of the Senate and House have exploded this contention. They assert that if properly administered the proposed amendment will not increase the price to consumers.

Mr. York Wilson, chief accountant for the textile industry in the office of the O. P. A., advised Senator TAFT recently:

If properly administered, the amendment will not increase mill profits 1 cent.

Again he said, and I quote:

If the textile items that reflect less than parity are raised in accordance with the amendment, and those that are too high are

reduced, as they should be reduced, there will be no increase in the over-all cost.

It is admitted that manufacturers are not paying parity for cotton. Agricultural commodities generally are about 114 percent of parity. Cotton alone is below parity. The other commodities are not affected. Hence the legislation applies only to cotton.

Cotton has reached parity only three times in the last 2 years and has remained at parity but a short time. There is no excessive supply of free cotton. The Office of Price Administration has placed ceilings, as I have indicated, on certain textile items that reflected less than parity for raw cotton. These textiles include cloth for overalls and work shirts. The same type of cotton is used in blankets, gingham, and other cotton goods for clothing and household.

It is admitted that in calculating the ceilings the O. P. A. has used less than the parity price of cotton. The law requires them however to use the parity price in fixing the ceilings. It is believed that if the parity price is used in fixing the ceiling that production of cotton cloths will increase and that the manufacturers could pay the growers the parity price.

I believe the amendment will enable the cotton grower to obtain more nearly parity, will increase the ceilings for cheaper cotton cloth, reduce the ceilings on the high price cloth, and thus eliminate the bottleneck that prevents low-cost textiles from being supplied to the civilian population.

High-grade cloths are obtainable, but the low-cost cloths are not obtainable. Something must be done. It appears from the hearings that the mills which are making the low-cost cloths are not making profits. If the regulations have not provided for a fair return for the manufacturers of denims for overalls and other cheaper cotton cloths, legislation should be enacted. I therefore favor both the Brown amendment and the Crawford amendment. I do not believe it will increase the profits that are being made. It will provide for profits where none is being made. The purpose will be to reflect increased or parity prices to the growers. If such prices are not reflected, the ceilings of textiles will be reduced.

Price control under the act of January 30, 1942, and under the Stabilization Act of October 2, 1942, is essential in war. I favor price control. I know that Congress can only deal with principles and policies. I know it would be impracticable for Congress to adopt regulations. I agree that the success of price control depends upon administration. If the fundamental law can be improved, I favor amending it. If bottlenecks exist and regulations do not solve, and no better remedy is proposed, I then favor legislation.

The purpose of price control is to stabilize prices and to prevent inflation. Mistakes have been made, but by and large the program has been successful. Chester Bowles has improved the administration of the act. Cost of living, however, has increased, but the increase is nothing like the increase in the cost of living in the First World War. War

always leads to inflation. At the end of the Revolutionary War the dollar had dropped to 33 cents. After the Civil War it dropped to 44 cents. Following the World War it dropped to 40 cents. Between the outbreak of the First World War and the armistice, wholesale prices rose 102.5 percent. After the armistice they rose from 108 to 148.5 percent above pre-war levels. One-third of the total rise of World War No. 1 took place after the armistice. World War No. 1 cost \$32,000,000,000. It would have cost \$18,500,000,000 if there had been no increase in industrial prices. Forty percent of the cost of the First World War was due to unnecessary price increases in the absence of general price control. Thus far there has been a saving in the Second World War of approximately \$65,000,000,000 because of price control.

Again it is said that the consumers of the country have saved \$22,000,000,000 because of price control. In World War No. 1 civilians obtained 75 percent of all the goods produced. Only 25 percent went to the war effort. In World War No. 2, 46 percent of all goods produced have gone to the armed forces. There has thus remained 54 percent for civilians.

The alternative of price control and wage stabilization is inflation, and inflation is always followed by collapse or deflation. The greatest danger, as I have said, follows the war.

In the First World War \$43.75 would buy a barrel of flour and 100 pounds of sugar and nothing else. This was the third year after our entry into that war. At the present time, after the third year of World War No. 2, \$43.75 will not only buy a barrel of flour and 100 pounds of sugar but 88 other items. During the First World War sugar went up to 35 cents a pound following the war. The price of wheat and cotton did not go up very high during the war, but it was after the war that the price went up.

I conclude as I began. The O. P. A. under price ceilings has not provided rules and regulations that warrant the production of the much-needed work clothes. No better proposal has been submitted than the Brown amendment.

The textile factory worker in January 1944 averaged \$1 an hour. The cotton farmer has received 20 cents an hour for his labor.

I believe that the proposed amendment will be fair to the consumers, to the manufacturers, and to the cotton growers.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized for 3 minutes.

Mr. COOLEY. Mr. Chairman, I wish to use the 3 minutes allotted to me for the purpose of clarifying the amendment which has been offered by the gentleman from Georgia [Mr. BROWN]. I anticipate that the statement will be made here, in fact it has already been made, that if the Brown amendment is adopted, we might as well throw the

price-control law out of the window and abandon efforts to control inflation. That statement in substance was made here yesterday by our distinguished majority leader.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I want to ask the gentleman from Georgia if it is the purpose of this amendment to guarantee to the cotton farmers of America parity prices?

Mr. BROWN of Georgia. The purpose is to obtain parity prices, and I believe the formula in the amendment will bring parity to the cotton grower.

Mr. COOLEY. In other words, the guaranty sought by this amendment is that if a ceiling is imposed upon cotton textiles it will not be forced back on the brow of the cotton farmer to the extent that he will be forced to accept less than parity for his cotton.

Mr. BROWN of Georgia. If the farmer does not obtain parity the ceiling fixed on the manufacturer will be lowered, and certainly the manufacturer cannot gain anything by not paying parity to the cotton grower. I want to say another thing. There has been a lot of propaganda about the original Bankhead amendment. I noticed that Mr. Vinson in his letter to the Chairman yesterday referred to the Bankhead amendment as reported out of the committee, and not the Bankhead amendment as passed by the Senate. It seems the newspapers are still talking about the original Bankhead amendment. The Bankhead amendment as passed in the Senate is practically the Brown amendment which allows the lowering of certain textile items and the raising of others. In my opinion if the provisions of my amendment are not adopted there will be rationing of clothes within 6 months. Watch my prediction. I will tell you another thing, the President of the United States is not going to veto this bill on account of the Brown amendment. He may do it for other reasons but not because of that. I know the President will look into the merits of this amendment when it reaches him, and if he does I feel that he will be for the amendment.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Very briefly.

Mr. MAY. My question might more properly have been propounded to the gentleman from Georgia than to the gentleman from North Carolina.

Mr. COOLEY. I am glad to have the gentleman ask his question.

Mr. MAY. I understood the gentleman to say yesterday that his amendment would give us parity.

Mr. BROWN of Georgia. The formula will prevent the O. P. A. from setting any cotton textile ceiling that will depress the price of cotton to the farmer below parity and the mills would be foolish to undertake to buy cotton below parity when the ceiling would be reduced under the escalator clause. It gives the farmers a better opportunity to obtain a fairer price.

The mills will not benefit by not paying the farmer parity for his cotton.

Mr. COOLEY. May I ask the gentleman from Georgia one other question. If his amendment is adopted, will it increase the price to the ultimate consumer?

Mr. BROWN of Georgia. No; it will not. In my opinion it will lower the price to the consumer, for the reason there are two paragraphs in this amendment that allow the O. P. A. to decrease the ceiling price of the mills making so much money and raise the ceiling of those mills making certain cotton garments with loss or without profit. The consumer will not pay as much.

Mr. COOLEY. I thank the gentleman. He has somewhat clarified the situation.

Mr. BROWN of Georgia. It is obvious that by pulling down the ceilings that are too high and raising the ones that are too low, the cost of living will not be increased at all.

The purpose of my amendment is not only to obtain parity for the cotton producer, but is to bring on production of low-cost cotton garments and clothing so necessary for the Army and Navy and the people generally.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia [Mr. BROWN]. For many days past there has been a campaign carried on by commentators over the air, by newspaper columnists and many others that the adoption of the Bankhead-Brown amendment would bring on inflation.

Let us analyze this for just a moment. In 1944 there is floating loose in our economy \$45,000,000,000. In other words, \$45,000,000,000 of hot money, competing for scarce goods. They cannot buy these goods. After you pay your taxes, after you have bought consumer goods over the counter, after you have spent the money necessary to live and all of that, you have \$45,000,000,000 floating loose in America today.

What will the Brown amendment do? It will make more cheap goods available to the poor people of this country in gingham dresses, in work shirts, in pants and overalls. That is what it will do. Yet the O. P. A. says to increase the production of low-cost garments would mean inflation. Inflation is caused when tremendous purchasing power competes for a scarcity of consumer goods. The Bankhead-Brown amendment is in reality deflationary.

Mr. Chairman, the gentleman from Georgia has shown here some cloth, and he has given you the price of that cloth. May I say to you from the information I have received seersucker cloth is bringing 69 cents a yard in New York. Sixty-nine cents a yard for 4 yards of cloth is \$2.76. Out of that \$2.76 for 4 yards of cloth the farmer gets 20 cents because there is 1 pound of cotton which goes into that 4 yards of seersucker cloth.

Let us follow through a minute. What will the Brown amendment do? It provides that the farmer will be paid 21 cents instead of 20 cents. That is what it would do. It will give the farmer who is

now making 20 cents an hour the sum of 21 cents a pound for his product. I hold in my hand a dress that was purchased in New York the past week. The tag on it shows that it cost \$12.95. This dress cost only \$6.50 2 years ago. It was not inflationary to double the price of the dress, but as soon as the farmer asks a fair deal for his labor and his product the O. P. A. and the C. I. O. yell inflation. Such a contention on their part cannot be supported by the facts. I hope that the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. GATHINGS asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. McKENZIE].

Mr. McKENZIE. Mr. Chairman, this is a price-control bill, therefore it deals with economics. I have wondered how many of you have stopped to see just how far-reaching the effect of this amendment will be and just how it affects every one of your constituents. You talk about the price of cotton goods. I know that a great number of you here think in terms of the economic problem child, so termed, the cotton South. The reason that the South is an economic problem child is because of the fact that you have treated the southern cotton farmer as if he might be a step-child. You have given him no consideration.

In these United States there are 18 States which produce cotton. In 14 of those States raw cotton and its products, seed and so forth, are the chief economic crop. In 14 of these States there are involved something like 30,000,000 people. The parity price, according to the Department of Agriculture, on cotton for last week was 23.37 cents per pound. In last night's paper I saw where October cotton was quoted at 20.61 cents, a difference of nearly 3 cents per pound or \$15 a bale. In America there is a surplus carry-over of cotton of something over 10,000,000 bales. Your annual crop is roughly 10,000,000 bales. The difference to the economic problem child is \$150,000,000, scattered throughout the South.

If you people from Maine and you people from Idaho want these 14,000,000 acres that are now in cotton in the United States competing with your potatoes, the best way I know to do it is to force the cotton farmer out of his economic set-up. It happens that down in the State of Louisiana, in my district, the people are now experimenting with wheat. We have a small flour mill down there at Lake Providence, La. Do you people in the Middle West, Kansas, and Nebraska, want these 14,000,000 acres now in cotton put in competition with your wheat? Do you people in California and Florida want all of this Gulf-coast area that is adaptable to the raising of oranges, citrus fruits, and other fruits put in competition with your fruits? Do you people from Michigan, do you people from Colorado and California, want these folks to go into the

production of celery? Do you people in the beet sections of Colorado, Utah, and the Midwest want us to expand our cane production? I tell you it is absolutely in the making because you are denying to this economic problem child the right to live.

Parity for cotton means a wage increase for the farmer. The major portion of the cotton raised in this country is raised by the little farmer with 5, 10, and at most 20 acres in cotton. He and his family prepare the soil, plant and cultivate the cotton, then gather it. The price they get for their cotton is the sum of their wages. We are raising the wages of industrial workers, of construction workers, of war workers, so how in the name of conscience can we deny a badly needed raise to the farm worker? More money to the cotton worker means more money to the cotton area, prosperity to the merchant, increased trade and barter, and naturally, indirectly, more money for the city and town dweller in the cotton States. They can buy more of the products of other sections of the Nation; prosperity in the South will spread to the North and Midwest. The transportation facilities of the Nation will benefit; the great ports of the Nation, particularly the great cotton ports of New Orleans, Houston, and Savannah, will benefit. Because of the increased purchasing power of the cotton areas, the demand for goods and supplies will make for increased work for labor throughout the Nation. We all benefit. Cannot you see it?

The CHAIRMAN. The time of the gentleman has expired.

(Mr. McKENZIE asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. HARE].

(Mr. HARE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HARE. Mr. Chairman, for the last 6 or 8 months or longer I have had frequent complaints from my constituents about the scarcity of common, ordinary cotton goods. They say it is impossible to obtain them. Upon inquiry at the O. P. A. and W. P. B. I learned that the goods are not being manufactured. I have had particular complaints about denim, overalls, work shirts, and so forth, because the people in my country work and they usually have to have shirts. They are unable to obtain overalls and work shirts.

I want to ask one thing and I direct my inquiry to the author of this amendment, the gentleman from Georgia [Mr. Brown]. If the amendment is agreed to, from the evidence obtained before the gentleman's committee is it shown or can it be shown that the price of the finished product or the raw material will be automatically increased?

Mr. BROWN of Georgia. The finished article will not be increased. The raw cotton will be brought up to parity and there will be an increase. If it does not attain parity within 60 days then the ceiling will be decreased and that sum

instead of going to the mills will go to the consumers of this country.

Mr. HARE. The gentleman answers my two questions in one. One is the raw cotton will bring the parity price and the other is that the finished product or the processed product will not be increased.

Mr. BROWN of Georgia. In my opinion it will not be increased, and that is based on the statement of the man who is in charge of the functions of O. P. A., who deals with textiles, that if it is properly administered, the consuming public will not pay a cent more; that it will adjust the ceilings downward so that the public will be saving money instead of having to pay more money.

Mr. HARE. I have been greatly interested in this problem for some time. I made a recent inquiry of the Bureau of Labor Statistics, asking them to furnish me information as to the increase in price of cotton for the past 2 years as well as the increase in the price of the finished or processed product.

I have before me a communication dated June 10, 1944, in which I am advised that cotton has increased 1.5 cents per pound or 7.7 percent, from March 1942 to March 1944, but that on the other hand, dresses, percale, have increased 30.7 percent, towels 17.9 percent, and that since 1939 dresses, percale, have increased 105.9 percent and towels 65.5, and other cotton goods accordingly.

The point I want to emphasize by the inquiries made is that the passage of what is referred to as the Brown-Bankhead amendment and the Crawford amendment will not automatically increase the price of cotton fabrics or cotton goods, as has been alleged here a number of times. Several Members have said that if you increase the price of the raw product or raw material it will necessarily mean an increase in the price of the finished product. This sounds reasonable and in the absence of the operation of the Price Stabilization Act this would ordinarily be true, but if I understand the existing law and the amendments referred to this could not happen and I would like to make clear the grounds for my conclusions.

Under existing law when the O. P. A. undertakes to place the ceiling price on shirt goods or work shirts made of cotton, or when it undertakes to arrive at a ceiling price, for example, on gingham or dresses made therefrom, the first question asked by the O. P. A. in an effort to arrive at the ceiling price is to ascertain the parity price of the raw material or the parity price to the producer and when that item is determined it is included along with the cost of labor and other elements that enter into the cost of the finished product and the ceiling price or the price to the consumer is then fixed. Therefore, as I see it, under present conditions, the present law and the present operations of the O. P. A., the parity price for cotton is already included in the ceiling price of the finished product, but the grower or producer of cotton is not receiving the parity price and these amendments undertake to do only one

or two things. First, that the processors shall be required to pay the producer the parity price or reduce the consumer or ceiling price on the finished product in proportion to the difference between the price paid for the cotton or raw material and the parity price for such material or product.

As a result of the present policy, the manufacturer has been inclined, and naturally so, to make higher quality goods for the reason that in the last analysis the proportionate amount of profit is greater in high-quality goods, particularly if the supply is not greater than the demand, the result being a reduction of the manufacture of the lower quality or grade of cotton goods, particularly those used for making ordinary work shirts, ordinary house dresses, overalls, and similar articles of wear. Really what follows, then, is the laboring man or the housewife is unable to find on the counters of a merchant any of the type of goods used to make children's clothing, and so forth, and the failure to find such goods necessitates the laborer or the housewife buying higher-priced goods or higher-priced ready-made dresses than they have been accustomed to buy, and to the extent of this increase the cost of living of the family has increased. Now, my understanding is that these amendments are designed for the purpose of enabling or requiring the manufacturer or processor of cotton and cotton goods to increase the production of the grades of cloth commonly used by people of low income, and the effect of their operation would be to decrease the cost of living of people with such incomes and at the same time increase the price of the raw material or raw cotton to a point equivalent to parity as provided under existing law.

[Mr. RANKIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Wolcott].

Mr. WOLCOTT. Mr. Chairman, all the way through the debate on this amendment I have not, for the life of me, seen why the cotton people want this amendment if it is not going to raise the price of cotton, and I do not see how we can raise the price of cotton without expecting a comparable increase in the cost of the finished product; therefore it automatically increases the price of the finished product to the consumer.

I would like to do something for my sugar beet and my bean growers just as much as you want to do something for your cotton growers, but I know they are willing to forego such benefits if we can effectuate stabilization. As to these dresses and this cloth that is selling, as you say, for 100 percent more than it did 6 months or a year ago, if it was not for the controls which we have on these commodities at the present time, I dare say they would be selling for three or four hundred times the price at which they are now selling. What we have to consider as much as anything else is the post-war period. I do not think we are

doing any service to the cotton growers and to the cotton-textile people by creating a situation which will wreak havoc in the post-war textile market.

We have provided for adjustments in the bill, and we have said that no maximum price shall be put on cotton or on any agricultural commodity which, even after it is processed, will reflect less than parity to the producer. The only way you can guarantee parity to any producer is by putting a floor underneath the price, a support price, and under the present law there is a floor of 90 percent under cotton, because cotton is one of the basic commodities. That advantage to the cotton grower continues for 2 years following the war. That, it seems to me, is about all the cotton growers should ask for. They have that. We certainly should not dislocate the price machinery by adopting this amendment. I feel it is inflationary, and I believe a material increase in the price of cotton clothing will result if this amendment is adopted. If this amendment is adopted I do not believe this bill can be enacted. Our only course then will be to adopt a simple continuing resolution for 6 months. You can take your choice between this amendment as I see it and a 6 months' continuation of price control without any of the restrictive and clarifying amendments which the Banking and Currency Committee has recommended. You cannot have both this amendment and a price-control bill.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, if I could have the committee's attention for 3 minutes, I will try to help their thinking on this matter. So many of you have asked questions that I fear there is considerable misunderstanding.

Let me say, first, I am not interested in the textile mills, except to see that they are treated fairly and I want them to continue to afford a market to the farmer for his cotton. I would like to give you the picture. Textile ceilings were fixed about 2 years ago by O. P. A. They have been frozen since that time. When those ceilings were fixed, the parity price of cotton was 18.72 cents per pound. The parity price of cotton today, due to the fact there has been an increasing cost of the products that the farmer has to buy, is 21.08 cents; consequently the freezing of these ceilings for 2 years, contrary to law, has made it difficult in some cases for the mills to pay the farmer parity. The law prohibits O. P. A. from establishing or maintaining any ceiling price which will not reflect parity prices to the farmer.

But there is a second reason. When O. P. A. fixed the ceiling on textiles, they included the price for the raw cotton at 18.72 cents as the over-all price for all textile goods of all types.

That is to say, the general price the mills should pay for cotton would be parity. They then set a different ceiling on each one of the thousand or more commodities the mills make out of cotton. On some of them the ceiling was fixed so low it was impossible for the mill to pay parity for the cotton, and on

some of them the mills could pay twice parity for the cotton. No mill makes all of the different textile commodities. Some make one and some make others. Consequently, it is utterly impossible for some mills to pay a parity price for cotton and sell within the ceiling.

One of the things this amendment will do is to make it possible for all of the mills to pay parity for cotton. However, it does not guarantee the farmer parity prices for his cotton. There is no ceiling price at all on rayon, none at all. It is a competitive commodity. What is happening is that as fast as the War Production Board issues permits the mills are changing to rayon. If you look at the hearings, you will see that the mills can make a profit today provided you include their profits from rayon. Rayon is a free commodity, it has no ceiling. It is taking the rayon profits to keep some of the mills that make both rayon and cotton commodities going in spite of their losses on cotton.

The law now requires that the O. P. A. administrator fix all prices of goods manufactured from agricultural commodities at ceilings which will permit the manufacturers to pay parity prices to the farmers. The administrator should be required to respect and carry out that law. And he should fix a like ceiling on rayon products and not drive our mills from cotton to rayon goods.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have listened with interest to all of the arguments advanced by my friends from the cotton-growing area, and they have not met one thought that exists in my mind, that we are considering a price-control bill today under war conditions. Everything they say might be pertinent and have considerable influence on me if a bill were before this body confined to the question that addresses itself to their problem. We can thoroughly understand and appreciate their position. But we are Members of Congress from all sections of the country and we are considering this bill in the national interest, having in mind that it is designed to meet wartime conditions and that it is a result of the war in which our country is engaged.

If this amendment is adopted, there is no justification for not adopting amendments all along the line applying to any other agricultural product or to any other product, agricultural or otherwise, in raw or finished form.

While I appreciate the motives of my friends from the cotton-producing areas, and speaking as one who has always supported their legislation and all agricultural legislation, I cannot see where this amendment is going to help accomplish the objective they have in mind.

In any event, the amendment is going to be very disruptive of the over-all picture in connection with the bill that we have under consideration and that is of vital concern to our country at this time. I think the argument of the gentleman from Michigan [Mr. Wolcott] is unanswerable. If this amendment is going to help the cotton producer, certainly

there is going to be an increase along the line. But as I see the amendment, it will do neither, but help the textiles.

As I understand the problem of production, it is a labor problem. There were 40,000 fewer workers in the textile industry in the year ending April 1944 than there were in the year ending April 1943.

Without going into further detail, this amendment has no place in this bill. This is a bill to prevent inflation through the control of prices. It is not a bill to consider what inequities may exist with reference to this or that particular product. The amendment has no place in this bill. Its adoption, in my opinion, would be disastrous to the operation of this bill. If it is adopted, I cannot conceive how this bill can become law unless it becomes law over the veto of the President.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, to one who has lived as close to the cotton producers of this country as I have, it is a great temptation not to talk about the problem of cotton. Certainly I am moved deeply by the appeal that every friend of the cotton farmer in the South makes to this House. But nothing can be for the good of our farmers that is against the good of our Nation. I know when I go back this summer to talk to them about this proposal they will agree with me. I repeat what I said in general debate, that the farmers I know in the cotton-producing district of Arkansas are prepared to make any sacrifice in the hour of our Nation's supreme peril.

The gentleman from Michigan [Mr. Wolcott] has stated the issue. Let there be no mistake about it. Either we believe in inflation control or we do not. We come to the crucial vote.

I know there has been some suggestion that the consumer will not suffer, and that hope has been expressed, but all the proof is against it. You can take the word of Chester Bowles. He closes his letter to a Senator from a cotton-producing State by saying:

In all earnestness, of all the changes now under consideration, the Bankhead amendment is the single proposal best calculated to destroy the entire structure of stabilization.

Further, I know these men are in earnest about it and they believe it is true, but this will not help the cotton farmer. They speak of parity. Of course, we want parity and we are entitled to have it, but how are we going to get it? The Bankhead proposal simply provides that you take the cotton price, the parity price, and you add to that what? The costs of 90 percent of all of the items of all of the manufacturers of cotton goods in this country, and there is then to be added to that a reasonable profit. At present, the price obviously is lower than it would be under the amendment. At the end of 60 days after the higher ceilings have been in effect, suppose that the parity price is not being received. Does it affect the cotton mills? Not at all. Their margin is fixed. The incentive for them to raise the buying price is gone if it ever existed. So there is no

escape from this conclusion, as you examine the amendment, that we would be making a single exception for one business in this country. We are saying to other industries, "You must struggle with costs but the cotton mills can have their margin." That is a guarantee for the first time in the history of this country. You cannot in justice to the people of America, permit that to happen.

No; you are not serving the cotton producers by this proposal. You are not, in reality, serving the cotton mills, when you consider the long-range effect of this legislation. When you represent to the country which wants greater production of low-price cotton goods that it will have that result you are saying something that the sponsors do not themselves guarantee. Before our committee the statement was made by spokesmen for the Cotton Textile Institute, and we admit it is a severe problem, that "The over-all problem of the cotton mills is manpower."

The over-all problem is not price. Dr. Murchison, of the institute, who made an excellent statement, admitted that in the case of 30 percent, and perhaps a few more, of the mills' price might be of greater weight, but came back to the conclusion that manpower is the greater problem for 60 to 70 percent of the mills. When I asked him what the answer is, he said, "There is one answer, and that is an integrated program that works out plans through the War Manpower Commission, the Office of Price Administration, and the War Production Board."

So, unless this House is ready to say that price is the answer, when Dr. Murchison says it is not, except for 30 to 40 percent, you ought to vote down this amendment and say we are not making any exceptions in this fight which we are now making all together, and I mean all of us, to defeat inflation in the United States.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Chairman, the vote on the amendment of the gentleman from Georgia [Mr. BROWN], the cotton amendment, will in my opinion decide the fate of this bill. The opinion prevails that the President will veto the bill if the Brown or Bankhead amendment remains in the measure. If the bill is vetoed, then, of course, price control will continue by the passage of a joint resolution extending the present law.

The 26 Members of the Committee on Banking and Currency, after many weeks' work, presented to the House a liberal bill. Efforts were made to amend the law. Recommendations were made for amendments to existing law that would meet some of the provisions against which complaints have been lodged. If the bill is vetoed, you will not receive the benefits of the changes recommended by the Banking and Currency Committee.

The gentleman from Georgia [Mr. BROWN] yesterday told the House, and I use his language:

I expect to produce evidence from a witness to show that my amendment will not cost the consuming public a dime.

How is it possible to pay parity prices for cotton to the producer, to increase the profits at the mill, and to the distributor and not result in an increase in price to the consumer is beyond me to understand. I predict if this amendment does become a law, there will be an increase in the price of cotton from the producer to the consumer and the entire increase will be saddled upon the consumer. It will amount to two or three hundred millions of dollars.

According to the Office of Price Administration the price of wholesale cotton advanced 107 percent in the last 52 weeks. This increase exceeds the increase of any other commodity.

There is absolutely no doubt but that the budget of every family whether it be on the farm or in the cities will be affected if this amendment passes. This is one of the most destructive amendments that has been offered to the bill. It will destroy the "hold the price line."

It is my hope that the amendment will be overwhelmingly defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, if there is one statute that has ever been enacted that ought to be administered with equal rights to all and special privileges to none, it is the statute that provides for price control and for rationing. Unless the people believe that that statute is honestly administered in the interest of the people, they will not give it the support they otherwise would give to it. I have no quarrel with the cotton growers. I sympathize with them and have voted for all the measures which I thought would help them. But this is not the time nor the place to put permanent policies of government into this bill, which is designed to meet the greatest emergency in the history of our country. This bill was enacted for but one purpose, and that is to hold the line against inflation. The insidious forces of inflation are as baleful as a defeat would be upon the battlefield. It is a great job that they have to do and if you fill this bill with special privilege you weaken it. What answer will we have when other men come and ask for special privileges? I know special privilege is on the march and I know it is hard to stop it, but why could not I ask that my tobacco people have some special privileges and that their prices may be raised during this time when we are trying to control all prices? I think that the farming interests of the South are hugging an illusion in seeking to put this amendment into the bill. I do not think it will do what they think it will do. The textile manufacturers could now pay the farmers parity for cotton. Why do they not do it? They made 9 times as much in 1943 as they made before the war. It has been estimated that if this bill goes through they will make 16 times as much as they made pre-war. If they do pay parity to the cotton farmers they will

still make 14 times as much as they made pre-war.

You are not going to get parity and you are not going to get any advance in price by paying these bounties to the manufacturers. The manufacturer is selfish. He is going to buy in the cheapest market and he is going to sell in the highest market and there is no method that has yet been devised that will compel the manufacturer to pay parity to the primary producer.

We have a great job to do. I would not want to see it fall down. Everyone of us is interested in it. You are interested in it, and your family, and your children. We must "hold the line" and we cannot "hold the line" by giving every special interest the special privileges which they desire in this most crucial time. I am no expert with reference to this proposition. I do not care anything about the statistics. I know what will happen. I know if you give the manufacturer the bounty that he asks he will not give it to the farmer, but he will put it into his pocket. This is going to cost the people of the United States from \$150,000,000 to \$200,000,000 per annum and we could obtain parity for the cotton farmer by the expenditure of \$60,000,000 if it were given directly to him.

The remedy is to raise the loan price on cotton and see that the farmer gets his check and puts it in his pocket. That is the only way you are going to help the farmer. I hope the people from the South will think of this in that light. I do believe if you put this into the price-control bill you weaken it to such an extent that it will be vetoed by the President. If the President does veto this bill, what are you going to have? The committee brought in a liberal bill. We brought in a bill that did away with many of the complaints which were made with regard to price control. We gave you the right to go into the courts and to assert your constitutional rights. We made this a more liberal bill than the existing law in every way. It met with the approval of the committee that studied it in extensive hearings. Now are you going to jeopardize that by putting special privilege in here? I hope not.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] to the amendment offered by the gentleman from Georgia [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 85, noes 176.

Mr. CRAWFORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MONRONEY and Mr. CRAWFORD to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 103, noes 189.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. JARMAN) there were ayes 87 and noes 191.

So the amendment was rejected.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: At the end of section 9 add a new section to be numbered section 10, as follows:

"Sec. 10. Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by adding just before the first proviso in said section 3 the following: 'Provided, that the maximum price so established may be charged or collected by the processor or manufacturer only when the producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to 30 days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 percent of the maximum price so established.'"

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. SCANLON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. PACE. Mr. Chairman, I hope I may have close attention because it is going to be very difficult to explain this amendment in 5 minutes; so I ask you to follow me closely.

The Stabilization Act, that is the act of October 2, 1942, amending the Price Control Act, in section 3 provides two things: It first states that the Administrator shall fix no ceiling or maximum price for an agricultural commodity, that is, on the commodity itself, which will not reflect to the producer either the parity price, which is clause 1, or the highest price between January 1 and September 15, 1942; that is to say, the Administrator must fix the price of wheat, of cotton, of corn, and all other agricultural commodities, at the highest of those two. And then this same section sets forth the manner in which the O. P. A. Administrator must establish maximum prices on commodities processed or manufactured from agricultural commodities. Listen closely. I quote from this section of the law:

And no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producer of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses 1 and 2 of this section.

That means two things: First, the Administrator must fix the ceiling price—not the support price but the ceiling or maximum price—of agricultural commodities so it will reflect not less than the parity price to the producer, then when he fixes the price of processed goods he

must fix that price where it will reflect not less than the parity price to the producer.

This amendment I have offered covers not only cotton but every agricultural commodity, wheat, corn, tobacco, vegetables, all of them. The situation we face now is that while the processor has written into his ceiling price the assumption that the agricultural commodity is costing him parity prices, there is nothing in the law and up to now in the administration of the law that requires that manufacturer or processor to pay the farmer parity prices. Let me illustrate: When the Administrator fixes a ceiling or maximum price on a product manufactured from an agricultural commodity he first sets up what is called a justification. The first thing he puts down is the cost of the agricultural commodity, and under the law he has to put down either the parity price or the highest price between January 1 and September 15, 1942, whichever is higher. But let us discuss here only clause 1, the parity price. The first thing he writes down on his justification is the parity price of the agricultural commodity. Then he takes the labor cost and other manufacturing costs and finally allows whatever profit he wants to. Consequently there is written into the ceiling price of every processed product made from an agricultural commodity the parity price, but there is no assurance the farmer will be paid that price. This amendment simply states that when the parity price is added or written into the price the manufacturer can charge then he must pay the farmer that price.

The significant thing I want to explain to you gentlemen who have such a profound interest in stabilization, the significant thing about the amendment is that it will not raise the cost of living one dime but may have the effect of reducing the cost of living, because if the processor refuses to pay the farmer parity which is already included in his price then he can charge and collect only 90 percent of his ceiling or maximum price. There may be numerous instances where the cost of the article to the consumer will be reduced on account of the failure of the processor to pay the farmer parity prices which are already included in his ceiling price.

I have found a very strong feeling among all of you to see that the farmer receives the price that is included in the processor's ceiling.

My amendment does no more, except this—it would, of course, be unfair to put this amendment into effect on farm commodities already purchased or already processed; so the amendment relates only to agricultural commodities purchased after the expiration of 30 days from the date the amendment goes into effect.

The conference committee may also want to give consideration to the question of limiting the amendment to those agricultural commodities still in the hands or under the control of the producers and those hereafter harvested.

I also want to explain the significance of the word "approximately" because it appears necessary to include it. The

word "approximately" did not appear in the Kleberg amendment. I do not know what difficulties it is going to run into. My amendment does the same thing for all agricultural commodities that the Kleberg amendment, which you adopted Saturday, did for only three or four commodities, those on which subsidies are being paid. I think we need the word "approximately" in there to keep an honest man from getting into trouble.

Mr. SPENCE. I am heartily in accord with what the gentleman is trying to do, but I am wondering how it can be administered. The slaughterer does not buy direct from the farmer. How is that as an administrative matter going to be remedied?

Mr. PACE. Will the gentleman take some time and let me explain it to him in his time? My time is limited.

The word "approximately" is significant in this particular. There is a ceiling price on the agricultural commodity; we will say it is the parity price; it cannot be less. There may be some slight variation from month to month and the processor may not know about it. He is not permitted to pay more than the ceiling price. Consequently, I think we must say "approximately" to permit a slight margin, which means not 90 percent, not 95 percent, but around 99 to 100 percent of the parity price. It is necessary to use that word to keep a man from getting into a sort of strait jacket and suffering a penalty when no one intended for him to suffer it.

The amendment simply requires that when you buy tobacco, for instance, whether you buy tobacco from the farmer or whether you buy the tobacco from an auctioneer or, if there is such a thing, whether you buy the tobacco from a commission merchant, it is necessary to receive a certificate from whomever you buy to the effect that you paid the tobacco grower in Kentucky the parity price for that tobacco. Then you in turn file that certificate when called upon by the Administrator as proof that you have paid parity to the man who produced the tobacco.

There is no serious difficulty in connection with it administratively. It will simply bring about that which this Congress has promised and which the law requires, the payment of parity prices to the farmers of this Nation. I ask you to adopt the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I shall support the amendment just offered by the gentleman from Georgia [Mr. PACE] and hope that it may be adopted. It supplements the Kleberg amendment, which we have already adopted, and for which I voted.

The Kleberg amendment provides in substance that processors, before receiving subsidy payments, must submit satisfactory evidence that such processor has

paid to the producer of such agricultural commodity prices that are not below the parity. In other words, the Kleberg amendment means that processors who buy hogs, wheat, and cattle shall not receive a subsidy on such commodities until they submit satisfactory evidence that they have paid to the farmers or producers of the hogs, wheat, and cattle the parity price or the price fixed under the Stabilization Act therefor. The Kleberg amendment relates only to those commodities on which a subsidy is paid, and there are only three or four of such commodities.

The Pace amendment applies this same principle to other agricultural commodities upon which subsidies are not paid.

Under the Price Stabilization Act of 1942, it is prescribed that on any commodity processed or manufactured from any agricultural commodity, the maximum price therefor shall be such as will reflect to the producers of such agricultural commodity a price equal to parity, or the highest price received by producers for such commodity between January 1, 1942, and September 15, 1942, whichever is highest. The processor or manufacturer is permitted, in fixing the price upon the manufactured or processed article, to include this price so allowed to farmers for agricultural commodities, but the processors and manufacturers do not always pay to the farmers or producers such price as the law contemplates shall be paid to them.

The Pace amendment simply provides that the maximum price allowed by law to be charged and collected by the processor or manufacturer shall be received only when the processor or manufacturer has paid the price so prescribed by law to the farmer or producer, and upon failure of the processor or manufacturer to submit satisfactory proof that such payments have been made to the farmers or producers, then the processor or manufacturer may charge and collect not more than 90 percent of the maximum price so established.

The farmers who produce cotton, wheat, peanuts, and eggs are not receiving parity prices for these products. Take cotton, for instance. The parity price is 21.08 cents per pound, but the average price received last month for cotton was 19.80 cents per pound. The processors and manufacturers of all of these products receive a price which assumes that they have paid parity to the farmers, and yet the farmers in many instances are not receiving it, and this is an injustice that should be corrected, and which the Pace amendment is designed to do.

This amendment is not inflationary since it will not increase to the consumer the prices of the finished products. Such prices remain as they are now.

(Mr. LUTHER A. JOHNSON asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HAYS. Mr. Chairman, I move to strike out the last two words.

Mr. SPENCE. Will the gentleman yield for a request?

Mr. HAYS. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I am going to have to say in all sincerity that we were "gypped" out of sufficient time on a previous amendment, and, regardless of what the chairman of the committee does in response to the remarks I am making, unless those standing have 5 minutes under this request, I shall object.

Mr. SPENCE. The "gypping" was done by the committee, not by the chairman.

Mr. CRAWFORD. The chairman made the motion.

Mr. SPENCE. How much time does the gentleman think we ought to have?

Mr. CRAWFORD. I said 5 minutes for each person standing.

Mr. McCORMACK. Mr. Chairman, we are getting close to the end of the bill. We have been debating it for a long while. It seems to me that a half-hour to debate this amendment, in view of the debate that preceded relating to the same matter, although broader in scope than the amendment just considered, is long enough.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. CRAWFORD. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in not to exceed 40 minutes.

The motion was agreed to.

Mr. HOBBS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOBBS. Mr. Chairman, does that include or exclude the time that has been allotted the gentleman from Arkansas [Mr. HAYS]?

The CHAIRMAN. It excludes that because the gentleman had already been recognized.

Mr. HAYS. Mr. Chairman, this has been a very difficult dilemma for all of us, particularly those who represent rural districts. I refer to the debate upon the Brown amendment. Many of us felt in all sincerity that it would not mean any change for the producer, yet I am sure there is not a Member of the House who does not feel that the parity principle is sound and that we ought to drive toward it as an objective. We have not always seen eye to eye with those from the industrial districts about the methods to be used, but, as a matter of principle, not only is parity written into the law of this land but it is acceptable generally to the people of the country who feel that there can be no prosperity in America unless there is prosperity for the farmer and unless there is real equality.

I have considered the amendment submitted by the gentleman from Georgia [Mr. PACE] and I think up to this time I have given some evidence of the fact that I am concerned about the economy of this Nation—that it might not be put out of balance. I tell you frankly this will do substantial justice to the farmer. At any rate it is a step in that direction and it will not be a threat to the hold-the-line policy.

The gentleman from Georgia has undertaken to provide that where a ceiling price is charged and that ceiling is based upon a parity price being paid to the original producer, then that ceiling price shall not be collected unless the parity payments are actually made to the men who produce. I believe the gentleman's amendment does accomplish what he intends. There is not anything wrong with that. You just cannot find fault with that principle. Otherwise you are going to provide windfall profits to someone. It is on that basis the gentleman from Georgia asks you to adopt his amendment. I am strongly in favor of it and I hope the committee will accept it.

Mr. OUTLAND. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. OUTLAND. There are a great many of us who are strongly in favor of the principle the gentleman is seeking to accomplish, and we are seeking a way to accomplish what the gentleman from Georgia has in mind. I should like to ask the gentleman what the chairman asked. Perhaps the gentleman can answer me fully.

Mr. HAYS. I will be glad to yield to the gentleman from Georgia for that purpose.

Mr. OUTLAND. I have in mind as to how this may be done administratively.

Mr. PACE. Let us take cotton. We have been talking about that. They fix a ceiling price under the law. They must in fixing that ceiling price fix it to include the parity price for the raw commodity. They work out that ceiling. Let us say it is 30 cents a yard. This says that in order for the mill to collect 30 cents a yard they must submit evidence when called for to the effect that the farmer has received the parity price included in the mills ceiling in order to receive it and if he cannot show that the farmer received parity for his cotton, then his ceiling is reduced 10 percent.

Mr. OUTLAND. Does he always buy from the farmer directly?

Mr. PACE. He may buy it from the warehouse. He usually has his own buyers. As I stated, the mill has its own buyers.

They go to my home town to a warehouse and buy some cotton. Then they have to pay the warehouseman for that cotton a price—he being the agent for the farmer—which will give the farmer parity for the cotton. The warehouseman gives the mill a certificate to the effect that this Middling 1-inch cotton, for instance, was sold, and that the producer received the parity price.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Will the gentleman explain how it would work in the case of a miller, for example, in my district, who goes down to the board of trade or the chamber of commerce and buys a hundred thousand bushels of wheat to make into flour? They may have that grain in some 50 or 100 different elevators. How are the people that sell this grain to the millers going to be able to give them a certificate that they paid parity for every single bushel?

Mr. PACE. It is my understanding that when he goes to the board of trade, when he buys that 100,000 bushels of grain, he buys it on futures. He has not actually bought a single bushel of wheat. It is only when he buys from the elevator. If he buys from the elevator, then he requires that elevator man to give him a certificate to the effect that he has paid the wheat growers in your district the parity price.

Mr. JUDD. Then it would go back to every single elevator operator and the farmer would do the policing.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I opposed the Brown amendment because to me it appeared to be purely an attempt to fix a new method of arriving at price ceilings for the textile industry, and on a basis which would undoubtedly increase the cost of living without affording the cotton farmer any guaranty at all that he would get parity.

That criticism cannot be made of the Pace amendment. It will not increase price ceilings or the cost of living. All it does is to set up a method of enforcing the provisions already in the law which provide that in fixing ceiling prices on commodities manufactured from agricultural products the ceilings shall reflect parity or the highest price at which the agricultural product sold between January 1, 1942, and September 15, 1942. I do not say that there may not be some difficulties in administering this amendment but in general I think it can be effectively administered.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. VOORHIS of California. Does not the gentleman believe, however, that the farmer who sells his crop is going to be a pretty effective agent in seeing to it that the language of this amendment is carried out? He is going to know what is received in all instances, is he not?

Mr. HOPE. Yes. I think that will be one very effective assistance in enforcement.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Cotton is purchased in bales, of course, with a number. A bale of cotton carries that number from the time it leaves the cotton gin until it gets to the mill. I do not see why the price could not be shown on whatever record they have of that num-

ber, so that there would be no trouble so far as that bale itself is concerned.

Mr. HOPE. I think the article could carry a certificate showing the price paid all the way up the line.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I would like to have the attention of the chairman of the committee for just a moment. I will forego making any speech if the gentleman will accept the amendment offered by the gentleman from Georgia [Mr. PACE].

Mr. SPENCE. Mr. Chairman, I wish to state to the gentleman that the payment of parity is something devoutly to be wished. I have done everything I could to assist in carrying out a program such as that. If the gentleman from Georgia has such a program—and I think it ought to be workable—personally I am very glad to accept it.

Mr. COOLEY. In view of the statement of the chairman of the committee, I will forego the pleasure of making a speech.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Let us vote.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Let us vote.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. In view of the statement by the chairman of the committee, I want a vote.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I am for the provision of the Pace amendment.

(Mr. WICKERSHAM asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. I agree with all the rest.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Chairman, I think we should vote.

Mr. MAHON. Mr. Chairman, I want to be recorded in support of the amendment by the gentleman from Georgia [Mr. PACE] in which it is provided that prices paid by the processor to the farmer for agricultural products shall actually reflect parity. It is assumed in fixing the processor's price that the farmer is paid parity for the raw product. This amendment simply requires that the farmer actually receive the parity price. The processor is selling his product on the basis of having paid the producer parity, and this amendment means he must actually pay the producer such a price.

Moreover, the fixed parity price is often wholly inadequate. This is true be-

cause all increased labor costs are not considered in fixing the parity price. The so-called Pace bill which the House passed months ago, but upon which no action has been taken by the other body, is the only fair solution in fixing agricultural prices. That bill provides that all labor costs must be taken into account.

It is utterly unreasonable and unfair to the farmer to fix a price for a farm product which does not take into consideration all labor cost. I am unable to understand those who have steadfastly opposed our efforts to require consideration of all labor costs in fixing farm prices and loan rates on agricultural products.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

The Clerk read, as follows:

SEC. 10. Section 4 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 22, after line 14, add the following new section:

"The second sentence of section 5 (a) of the Stabilization Act of 1942 is amended to read as follows:

"Where any wage or salary payment is made in contravention of such regulations, the President may also prescribe the extent to which that part of such payment, heretofore or hereafter made, which is in excess of the amount permitted to be paid under such regulations, shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation."

Mr. MONRONEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. I was unable to hear to what section this amendment was offered. I thought we had passed that portion of the bill.

The CHAIRMAN. It was offered as a new section following section 10 of the bill.

Mr. MONRONEY. As I understand, this material is covered in an earlier

section, which we have already passed. It would not be germane as a new section because it seeks to amend something that is clearly stated in a previous section, section 9, which we have passed.

Mr. WOLCOTT. It has no relation to section 9. We have just amended section 4 in section 10, so of course the proper place to amend section 5 is following section 10, which amends section 4.

The CHAIRMAN. The Chair is of the opinion that the gentleman from Michigan has correctly stated the situation.

Mr. WOLCOTT. Mr. Chairman, section 5 of the Stabilization Act of October 2, 1942, provides:

The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Under present practice, as I understand, under directive, by way of illustration, the internal revenue department, in determining the cost of production in any industry provides that if the industry has paid a wage or salary to any individual in excess of the maximum, then that industry cannot take into consideration as a cost of operation any of the salary paid to that individual. What my amendment does in that respect is to limit that to the excess over the amount set as the maximum salary. We will say the industry has paid a salary to an individual of \$50 a week throughout the year. The maximum we will say is \$40 a week. At the present time none of the salary paid to that individual; that is, the whole \$50, can be taken into consideration in connection with the cost of operation to be deducted in connection with the income tax of that industry. The amendment I have offered would penalize that industry only to the extent that they have paid a wage or salary in excess of the maximum, or, in the case of this example we are using, it would be a matter of \$10 a week for 52 weeks instead of \$50 a week for the 52 weeks.

We had the matter before the committee, and we have studied it quite fully. It seems to be just a matter of simple justice. I hope the amendment will be adopted.

Mr. KEAN. Mr. Chairman, I rise in opposition to the amendment.

Before adopting an amendment of this kind I think that we should consider carefully just what we are doing. Wage stabilization is impossible without an adequate and speedy penalty against those who violate the policy.

For businesses operating on a cost-plus basis or in the 95-percent tax bracket, the sky is the limit on wages which they can afford to pay. Competition for manpower is so great that unless the penalty is a severe one, all employers would be forced to abandon any effort to comply with the stabilization program where their competitors refused to comply.

It is true that section 11 of the Stabilization Act provides that anyone who is convicted of any willful violation of the act be subject to a fine of not more than \$1,000, or imprisonment for not more

than 1 year, but it is always difficult to prove willful violation in the courts; and with the scarcity of labor and the tremendous pressure operating in our war economy, these penalties are inadequate.

There is a great temptation for concerns to attract additional manpower from other vital production by raising wage rates. There is strong pressure to violate the rules.

If the greatest amount which could be disallowed is the excess wages paid, the result might be very unfair.

A person would know exactly how much he might be penalized and might often decide that it was such a small amount he could afford to take the risk. For those in the 95-percent tax bracket the real penalty would be so small that it would present many temptations.

Another objection to such a provision would be that if a concern were caught shortly after the violation the penalty would be a very minor one; but if he were not caught until a year or so later, the penalties in the two cases would vary enormously and thus result in discrimination for the same offense.

A 5-cent-an-hour rise in pay seems unimportant, especially in a small business with few employees. However, knowledge of these increases would spread rapidly and might well disturb wage relationships in the whole area, thus having a dangerous effect on wage stabilization as a whole.

I do not at all like the provision as it exists, but I feel that the proposed cure would be worse than the existing evil.

We must remember that we are only extending this act for 1 year. We all hope that by the time we are considering its renewal the European phase of the war will be over, and competition for labor in areas which are producing war materials may not be so critical. When this occurs we might be able to abandon this distasteful provision, but right now I think it would be very dangerous to do so.

I trust the amendment will be defeated.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from California.

Mr. OUTLAND. I agree with the gentleman that we are very much concerned about wage stabilization. However, I call the gentleman's attention to the fact that the provisions in this particular part of the act are not the only ones which have to do with penalties. For example, section 11, in addition to the penalties read by the gentleman, states that the violator shall "be subject to a fine of not more than \$1,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment."

Mr. KEAN. That is right; I have stated that.

Mr. OUTLAND. Yes; but I mean that is in addition to the provisions in the amendment offered by the gentleman from Michigan.

Mr. KEAN. I have stated that, too.

Mr. OUTLAND. I thank the gentleman.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I am glad to yield to the gentleman from California.

Mr. ANDERSON of California. I would like to call the gentleman's attention to the fact that under the present working of the act as it is written, many agricultural industries are going to be driven completely out of business if these confiscatory penalties on excess wages continue in effect. I would like to point out to the gentleman just one instance in California where growers of cauliflower who were packing in the field, paid wages 1 cent in excess of that permitted by the ceiling and were fined an amount of \$16,000. Two or three weeks later other growers in that area, not packing at that time, were permitted to give that 1 cent increase, and consequently they are not penalized. But the man who had to pay that \$16,000 has gone out of business, while the others continue in business, after having paid exactly the same wage.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at the point where the Pace amendment was considered.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, just because the fire and fury has gone out of the House, I hope you do not consider that this amendment is an innocuous amendment or that it will help us in our effort to control inflation. As a matter of fact, my personal opinion, and that is backed up by the Committee on Banking and Currency on four separate occasions, is that it is a highly inflationary amendment, an amendment that strikes at the very heart of the part of the stabilization program that has worked the best, namely, the stabilization of wages and salaries of employees.

Now let us see just what this amendment does. For less than \$20 I can upset the whole wage scale for truck drivers in the city of Washington. I would like to show you how I can do it. If I am an employer of truck drivers I can offer a truck driver a \$10-a-month increase in his wages. The employer of that man either has to meet that \$10 raise, and if he does, he has to spread it to all of his drivers and in turn that scale spreads to become the truck-driver salary in Washington. The total of this \$10-a-month increase will be \$120 in the year. Now you do not penalize, under the Wolcott amendment, the \$120 overpayment, the illegal portion of that wage; you do not take that \$120 away from him, but you just knock out that \$120 in the computation of income tax.

So if I am in the 18-percent bracket, I have received a tap on the wrist—a penalty amounting to less than \$25, for destroying the wage scale of truck drivers in the city of Washington.

This amendment, I believe today, will be used, not only in cases such as I have outlined, where you have a tight labor market, but for the purpose of evasion, because the penalty will not be steep.

Oh, yes, you say, "You have criminal provisions."

There are criminal provisions in the act, that is true. But will the lawyers in this House tell me how many juries are going to convict an employer for paying \$10 a month more to some employee? It is not going to be done. So you are going to take out of this bill one of the best provisions that has helped to keep the wage stabilization program flowing smoothly. I will grant you with respect to agricultural wages in some cases there should be some adjustment made. Especially where under the act if an illegal wage is paid in agriculture or an honest and sincere mistake is made adjustments should be given. The act today is flexible enough for adjustment on those things. My personal opinion is those adjustments will be made.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. ANDERSON of California. The trouble is that the adjustments are not being made and some of these individuals in agricultural pursuits are being fined to the extent that they are being thrown out of business. Unless some corrective amendment such as is being offered by the gentleman from Michigan [Mr. Wolcott] is adopted, I fear it is going to result in a very marked decrease in the production of certain agricultural commodities.

Mr. MONRONEY. I will say to the gentleman, do not wreck the whole wage stabilization program to help out a few people.

Mr. ANDERSON of California. I am not attempting to wreck the whole program.

Mr. MONRONEY. If you want to get this done, exempt agricultural labor, or something of that kind. This amendment, however, goes clear to the basis of all wages, to every bit of your wage-salary stabilization. It would take away the only effective penalty for controlling wages and salaries. We have begged for that control. You know we never had effective inflation control until we got it. You know the reason the program works is simply because the penalty was stiff enough to make a violation impractical and unprofitable.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield further?

Mr. MONRONEY. I yield.

Mr. ANDERSON of California. I appreciate the gentleman's statement with reference to exempting agriculturalists. May we be assured by the gentleman that the conferees will try to work out something to accomplish that result?

Mr. MONRONEY. I will surely be happy to work out anything that will exempt from too-heavy penalties violations that are unintentional, that are insignificant and inconsequential. I think the Treasury Department and the Stabilization Department, when they get further into this, will straighten it out. The first prosecutions have not even reached Washington. They are still in the field being processed.

Mr. ANDERSON of California. No; but a great deal of entirely justifiable uncertainty has been created. Too many administrative interpretations of just what constitutes agricultural labor have not helped out much, either. I do hope that the conferees will give this question careful consideration, as the imposition of excessive fines and penalties in cases where violations have unwittingly occurred will only serve to discourage production. I am sure I can depend on the gentleman's assistance.

Mr. MONRONEY. It is causing trouble. But when it gets to Washington and we can get a decent administration of it, this thing will be straightened out correctly. Do not blow up all control simply to take care of these justifiable hardship cases.

Mr. Chairman, I would like to comment further regarding the amendment of the American Association of Small Business, called to the attention of the committee by the gentleman from Louisiana [Mr. Maloney]. This amendment by this small-business group seeks as its objective to preserve the historic trading margin areas. It would provide that all price regulations contain a percentage area to be allotted to each factor performing economic functions of producer, wholesaler, broker, retailer, processor, exporter, or importer.

The determination of the division of these trading margin areas would be left up to the O. P. A. after consultation with the trade associations affected, and favoritism or special advantage of one factor over the other would be prohibited.

As much as the committee would have liked to incorporate the idea of such a fair distribution of trading margins, the administrative difficulty in dealing with the widespread and complicated trade practices in the thousands of industries under price control made it impossible to recommend the amendment. In many industries and lines of business these trading margins and their division among factors in the trade vary widely, both as to percentages and as to all factors of distribution being used.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, is it my understanding that amendments to section 10 are not in order, or are amendments in order now to section 10 of the bill? Mr. Chairman, I have an amendment.

The CHAIRMAN. The Chair made three or four requests to know whether there were any amendments to section 10 of the bill. Nobody responded. Then the committee went on to the consideration of new sections following section 10.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to have permission to offer an amendment.

The CHAIRMAN. Without objection, the gentleman may offer his amendment.

Technically the gentleman probably would be entitled to offer an amendment, but when the committee goes on and adopts a new section, then that would cut out other amendments to the section.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I recognize that.

The CHAIRMAN. The gentleman was not present when that request was made.

Without objection, the amendment will be considered.

Mr. KEAN. Mr. Chairman, what is the request of the gentleman from Minnesota?

The CHAIRMAN. The gentleman from Minnesota [Mr. August H. Andresen] is offering an amendment to section 10 of the bill, which is the section we are still on.

The Clerk will report the amendment.

Mr. OUTLAND. Mr. Chairman, I object.

The CHAIRMAN. The Chair holds that technically the gentleman is entitled to offer the amendment. There has not been any new section adopted. If the amendment offered by the gentleman from Michigan [Mr. Wolcott] had been adopted, that would be a different situation. The Chair holds that the gentleman from Minnesota [Mr. August H. Andresen] is entitled to offer his amendment.

The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 21, strike out line 23 and insert the following new paragraph:

"No action shall be taken under authority of this act with respect to an increase in any wages or salaries in any case in which such increase has been agreed upon by the employer and employee and will not result in the payment of wages or salaries at a rate greater than \$37.50 per week. For the purposes of the preceding sentence, if the employee ordinarily works overtime and extra compensation is paid therefor, such extra compensation shall be included in determining the rate of wages or salaries paid."

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. Mr. Chairman, I think this amendment goes far beyond the purport of the act and it provides methods of payment and deals with the relationship between employer and employee, which is not contemplated by this act. I think a point of order lies to it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman on the point of order.

Mr. AUGUST H. ANDRESEN. Section 10 of the bill deals with section 4 of the act of October 2, 1942. I will read from section 10 of the act of October 2, 1942:

No action shall be taken under authority of this act with respect to wages or salaries—

(1) Which is inconsistent with the provisions of the Fair Standards Labor Act, as amended, or the National Labor Relations Act; or

(2) For the purpose of reducing the wages or salaries of any particular work below the highest wage or salary paid therefor between January 1, 1942, and September 15, 1942; provided the President may, without regard to limitation contained in clause 2, adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities, and also to aid in the effective prosecution of the war.

I wish to call particular attention to the fact that this amendment deals with wages and salaries, giving the President authority to adjust inequities, and therefore the amendment is germane, because it seeks to assist the President in fixing limitations and adjustments on salaries.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] offers an amendment which has been reported, to which the gentleman from Kentucky [Mr. SPENCE] makes a point of order on the ground that it is not germane.

The Chair has examined the amendment offered by the gentleman from Minnesota and invites attention to the fact that section 4 of the act of October 2, 1942, which is sought to be amended by section 10 of the pending bill, relates to the subject of wages and salaries. The amendment offered by the gentleman from Minnesota relates to wages and salaries; and with respect to the point raised by the gentleman from Kentucky as going to the question of the relationship between employer and employee, the Chair is of the opinion that the amendment offered by the gentleman from Minnesota only goes to the question of relationship between the employer and employee as related to wages and salaries.

Therefore, the Chair is of the opinion that the amendment is germane to the section to which it is offered, and therefore overrules the point of order.

The gentleman is recognized for 5 minutes in support of his amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, since the beginning of the war a great deal has been said for the millions of workers of this country who are not receiving any benefits out of war expenditures. We can go into every line of our American economy and find a great many people who are still living under subsistent wages and who are having great difficulties in coping with the cost of living because of reduced income. My amendment seeks to provide some relief in this direction for all men and women who might be employed and who receive less than \$37.50 a week.

In the first place if the employer of labor wants to increase his employee's wages, at the present time no increase can be effected if the amount is under 40 cents an hour. If the amount of wages is over 40 cents an hour it is necessary for the employer and the employee to go to the regional office of the War Labor Board in the respective areas and ask

permission to put into operation such increase in wages. Thousands of applications are on file in various districts with the War Labor Board, that are not receiving any attention. My amendment proposes just one thing. If the employer and employee get together on a wage increase, and if the total wage paid, including overtime, is not over \$37.50 a week, such increase can become operative without any consideration by the War Labor Board. It only applies in cases where the employer and employees agree on a wage increase and not in any other case. If an employer does not agree to pay an increase in wages, then they must follow through the natural processes and go before the War Labor Board.

However, I can cite to you today so many individual instances in various communities of the United States where the employer wants to increase wages, without increasing the cost of the products he is to sell, but he is unable to do so because of the constant delays and trouble going through this red tape with the War Labor Board.

A Senate committee has just completed its investigation as to the merits of what has been said for the so-called white-collar workers and others who are not engaged in war industries. I find that the Senate committee, which is headed by two very strong administration leaders, the Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS], stating that no man, particularly a married man, should have a weekly wage under \$50 a week. My amendment proposes \$37.50 a week.

Furthermore, this committee finds that there are over 20,000,000 people in this country who are living under substandard wages. My amendment does not authorize an increase in wages. My amendment only permits the little merchant in a community who employs a few clerks in his store, or a man who operates a machine shop and employs a mechanic or two, to pay them a living wage up to \$37.50 a week. Why should they not have an opportunity to go through with an agreement of that kind, which is purely voluntary and which does not increase the cost of living, and which is not inflationary in any respect, without going through the stumbling red tape of submitting their applications to the War Labor Board?

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SAUTHOFF. I am rather sympathetic to the gentleman's amendment, but this objection occurs to me: If you are in an area that has been designated a defense area, how can you meet the demand for defense workers if there is permitted a raise which is not first considered and sanctioned?

Mr. AUGUST H. ANDRESEN. In answer to that, it is my opinion, and it is based on some investigation of the men workers in defense industries that their wage is far in excess of \$37.50 a week. Therefore, I do not believe it would make a particle of difference as far as those employees are concerned. However, there are a great many people who can-

not work in war industries—men and women in those respective communities who are living at the present time under substandard wages. It occurs to me that without causing any ripple of inflation whatsoever, we will be aiding them in securing something to which they are entitled, and which their employers want to pay them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Would this permit increasing the wages of so-called white-collar workers, like clerks, up to \$37.50 a week, without the permission of the War Labor Board?

Mr. AUGUST H. ANDRESEN. It would, yes, sir; wherever the employer agrees with the employee that such increase is to be made. It must be a voluntary agreement.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAVENS. Does your investigation with respect to this question clearly indicate that there are literally thousands of cases where the employer is willing to make this increase, and is only prevented from doing so by reason of the inaction of the War Labor Board?

Mr. AUGUST H. ANDRESEN. That is my finding from my own congressional district.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. VURSELL. When I was at home two different businessmen came to me and said that they were losing their help because they could not pay them higher wages. They were anxious to pay them higher wages and they thought it was absolutely necessary to make some provision in this O. P. A. bill so that that could be done.

Mr. BREHM. Does the gentleman know whether it will apply to the canning industry, fruits and vegetables?

Mr. AUGUST H. ANDRESEN. This applies to any case where the increase of an employee's wages is agreed to by the employer.

Mr. ROWE. Where the aggregate, including overtime and regular wages does not exceed \$37.50.

Mr. AUGUST H. ANDRESEN. Yes; where the regular wages and overtime do not exceed \$37.50.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JUDD. I am wondering whether this might not lead in many operations to an increase in strikes? Once word goes out that Congress has more or less set a standard of \$37.50 there will be many groups seeking to raise their wages to that amount. It seems to me this might encourage strikes where they could not get an increase automatically and voluntarily to \$37.50.

Mr. AUGUST H. ANDRESEN. I do not believe so. When this matter was considered in the Senate it passed unanimously. That question was not brought

up. I do not believe it will be responsible for strikes.

I urge the adoption of my amendment in the interest of the white-collared workers and other workers. They are entitled to justice.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. OUTLAND. Mr. Chairman, no Member of this House is more concerned than I about securing adequate wages for the millions of people in America not now receiving them, but I do not believe that this is the way to attack the problem. We face not only the necessity of preventing inflation and keeping down costs of items that people buy, we are trying to stabilize the whole economic system of the country in wartime. One of the best ways to break down that stabilization is simply to say that people in a certain wage bracket are to be taken out from underneath any control whatsoever.

I will fight along with every Member of this House to raise the wages and salaries of employees who are getting inadequate wages and salaries. Certainly \$37.50 a week is not a proper wage under wartime conditions for any American, but we have a way, a regular established procedure, by which increases can be made and it seems to me that in the case of wages just as in the case of prices, we have to hold the line. If we start to break here there is going to be an increase of purchasing power which will create additional demands elsewhere.

I do not believe the voluntary agreement between employer and employee is the crux of the matter. As the gentleman from Minnesota very properly implied in his inquiry a few minutes ago, that is likely to increase industrial disturbances generally in the war production areas where we are trying to keep a maximum degree of stabilization at the present time.

If we want to raise wages let us do it in a logical, sound way rather than by simply lifting the controls off the stabilization program that we have at the present time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. Yes; I am glad to yield.

Mr. AUGUST H. ANDRESEN. The President has this authority; he could make such a regulation himself; the law gives him the power to do that, but he has failed to do it. Consequently thousands of applications are piling up that are not receiving action and the people are becoming dissatisfied. This is an effort I am making to help these people who are not engaged in war industry.

Mr. OUTLAND. I agree with the gentleman's aim 100 percent. There is no man or woman in this House who does not have thousands and thousands of people that fall in exactly the same category. We all want to help alleviate conditions when we see wages and salaries at a level which we agree is too

low; we are anxious to raise them; but do we want to do it at the cost of undermining the stabilization we have achieved?

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. KEAN. It seems to me this is going to destroy the relationship between different classes of wage earners; if people who have been accustomed to a lower wage are to be raised it is going to cause discontent amongst those who receive a little more and therefore cause strikes and interfere with the entire war production.

Mr. OUTLAND. As I said a moment ago, I will go along with every Member of this House in raising inadequate wages, but I do not think this is the proper method.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to my friend from Wisconsin.

Mr. DILWEG. I should like to suggest to the gentleman that this question was raised in the committee and discussed by Judge Vinson when he was before our committee. Does the gentleman recall the fact that he was there?

Mr. OUTLAND. I thank the gentleman for raising that point. Will he please tell the Committee the gist of Judge Vinson's testimony.

Mr. DILWEG. Judge Vinson was queried about this very situation and suggested that it would have a terrific impact upon the whole stabilization program; that if any raise were permitted in a particular industry all labor in that industry would be pressing for raises and in the main it would be impossible to hold the stabilization line in wages.

Mr. OUTLAND. Yes; as I said a moment ago, if we are to hold the line we have got to hold it. If we begin making exceptions here and making exceptions there we are not going to be able to hold it. And if we do break the line, the low-income earners are going to be hit the first and the hardest.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. ROWE. I assume it is the gentleman's conviction that he wants to maintain the established authority rather than to change or divide the authority.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot reach an agreement on fixing time on this section.

Mr. FISH. Mr. Chairman, I wish 5 minutes.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair has noted the names of the following gentlemen who were on their feet seeking recognition on this section: Messrs. KEAN, FISH, CRAWFORD, BREHM, ROWE, MONRONEY, and SPENCE.

The gentleman from New York [Mr. FISH] is recognized for 4 minutes.

Mr. FISH. Mr. Chairman, I regret that there is not more time in which to discuss an amendment as important as this and particularly an amendment which is identical to the one I offered. I beg the indulgence of the House and ask for the close attention of the membership for the next few minutes. There is a good deal of misunderstanding about the Andresen-Fish amendment which should be cleared up so that it can be considered fairly on its merits.

Mr. Chairman, I believe this is one of the most important amendments we have had before us in the consideration of the O. P. A. bill. The American wage earners, numbering millions, who are receiving less than \$37.50 a week have no powerful lobby here in Washington; they have no paid spokesman at the Capitol to appear before committees of the House, such as the Committee on Banking and Currency, to advocate their just claims and to protect their interests. There is no organization with a well-paid staff to represent the economic interests of the numerous white-collar class or to urge a fair deal and a square deal for the more poorly paid wage earners in both war and nonwar industries. If Members of Congress want to do something to carry out the promises that most of us have made back home, if we want to help the white-collared class, those who work in grocery stores, chain stores, textile and garment factories, clerks, stenographers, school teachers, and so on, and permit faithful, industrious, and hard-working employees to secure a reasonable increase with the approval of their employers, then this is the opportunity and time to do something for them by your votes. Let us vote the way we talk back home. There are millions of American wage earners receiving less than \$37.50 a week, and most of them are in nonwar industries, and these wage earners have not received any increase to speak of, but have had their wages reduced through increased taxation and withholding taxes; so it is up to the Members of Congress to represent these wage earners and the white-collar class who are doing a great job, both in peace and war, to make it possible for them to receive an increase up to \$37.50 a week by cutting the bureaucratic red tape. I sat on the Post-war Economic Planning and Policy Committee this morning, before whom appeared an employer of labor from Mississippi, and he undertook to speak for small business. I asked him about this amendment. He said it does not go far enough, that it ought to include wages and salaries up to \$200 a month instead of \$37.50 a week, which makes a total with overtime of \$1,950 annually.

This amendment has already passed the Senate. If there is a roll call vote in the House, it would be agreed to by a vote of 2 to 1 because Members of Congress would not want to go on record to prevent the white-collar workers who get less than \$37.50 a week from receiving a few dollars more up to that amount. It will not disrupt the higher wage scales, it will have nothing to do with the wage

scale of those war workers and others who have powerful organizations behind them and are getting substantial war wages. They will not resent but will welcome this permissive legislation to provide a long-delayed square deal for the office and store workers, some factory workers, and the white-collar class generally. Let us face the facts and take this opportunity to do something concrete for the white-collar and low-paid factory workers who are the forgotten men and women and who have few or no spokesmen of their own.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The law permits them now to get a 15-percent increase without permission from anybody.

Mr. FISH. Yes, 15 percent over a wage scale of years ago, a pre-war wage scale that does not take in consideration the increase in the cost of living and taxation. I repeat that they are the forgotten men and women of America and of the war. They are all loyal and patriotic Americans. There are millions of them in every walk of life in every village, hamlet, town, and city. The present system of having the employer engage lawyers and accountants in order to ask increases for employees and then go to the War Labor Board and struggle with red tape and delays is costly, unsatisfactory, and unworkable. This amendment would make it possible, where the employer agrees with the employees and wants to reward them for faithful, industrious, and efficient work to have a right to increase their wages up to \$37.50 a week without being compelled to submit a large amount of data to the War Labor Board and try to overcome the bureaucratic red tape. Under existing law or regulations employers of labor could not obtain an increase of more than 15 percent for their employees. The proposed amendment would cut out all red tape and delays and permit employers of labor to increase the wages and salaries of their deserving employees up to \$37.50 a week, or \$1,950 a year with overtime. It amounts to a simple act of justice for the white-collar class and poorly paid factory workers who have been discriminated against and have not had an economic square deal.

I voted for the wages-and-hours bill a number of years ago and for collective bargaining and have always been in favor of industrial and social justice within the limits of constitutional government. I am in favor of maintaining the American wage scales and standards of living both in peace and war. I am in favor of a decent living wage for every American wage earner organized or unorganized, including the entire so-called white-collar class. That should be part and parcel of our American way of life and that is why I have offered the pending amendment.

According to the Bureau of Labor Statistics, the average weekly earnings of workers in many industries are less than \$37.50. Such industries include textiles, apparel, canning and preserving, lumber-

ing, and many service industries, and the retail trade. I agree with the recent statement of former Ambassador Joseph P. Kennedy who sees a good chance to maintain a decent post-war world if capital, labor, and Government work together for the general welfare and if the United States will keep itself strong and maintain American standards of wages and of living instead of trying to put the whole world on a glorified W. P. A. Let us look after the interests and economic welfare of our own people first and see that our 11,000,000 returning soldiers and 11,000,000 Americans who will be demobilized from war industries are provided with peacetime jobs, social security and unemployment insurance. Congress should waste no time in solving our post-war problems.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

(Mr. CRAWFORD asked and was given permission to revise and extend his own remarks in the RECORD.)

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ROWE].

(Mr. ROWE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. BUSBEY. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. BUSBEY]?

There was no objection.

Mr. BUSBEY. Mr. Chairman, this amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], will test the sincerity of those Members who have been shouting so loudly about doing something in behalf of that group commonly referred to as the "white-collar workers."

This particular group of people in this country have had their wages frozen at a level before the cost of living started on its upward trend. Because of the so-called Little Steel formula, their employers are prohibited from giving them a raise beyond 15 percent of their former salaries. As a consequence they are caught between a low-wage scale and the high cost of living.

We have heard fewer complaints from this group of people than any other, regardless of how much they have been made to suffer, and I for one want to express my appreciation for the patriotism they have shown all during this emergency.

I consider the amendment offered by the gentleman from Minnesota a step toward justice in an effort to rectify this condition which in many cases has been next to unbearable. These white-collar workers must look to this Congress for relief, and this is our opportunity to grant it. I sincerely trust the Members of this House will rise on this occasion and perform a worthy and patriotic duty.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. ROWE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I say to the gentleman from Missouri that this takes in not only the white-collared workers but it also takes in the laboring men who may work for \$15, \$20, or \$25 a week and will permit his boss to give him an increase of \$3, not up to \$37.50 but an increase of 2 or 3 dollars. It must stay under \$37.50.

Mr. COCHRAN. But the gentleman's amendment provides that if a man works 15 hours overtime a week he cannot get a cent over \$37.50.

Mr. AUGUST H. ANDRESEN. You have to hold it some place and \$37.50 a week, which totals \$1,980 a year, was thought to be a most reasonable figure.

Mr. ROWE. Mr. Chairman, I agree with what the gentleman from Missouri has said, his objection is sound; however, it still leaves us with the privilege of voting for this intermediate point and help them from the point where they now are to a little better place in their earnings. I would like to direct a question to the gentleman from California who spoke in the well of the House awhile ago but was not able to answer the question. I want to fix the gentleman's objection to this amendment. That is, he was fearful it would divide the authority between the powers now in effect for the purpose of stabilization and the liberties or the privileges granted by the amendment; am I correct?

Mr. OUTLAND. I am not sure I understand all the implications of the gentleman's question, but I will answer it in this way. My fear is that the amendment, which removes absolutely all control over wages when those wages are less than \$37.50 a week, will simply cause chaos in that phase of the stabilization program.

Mr. ROWE. If there is a large segment of workers under \$37.50 removed from the jurisdiction of the present stabilization authority, the gentleman feels there may be a tendency to weaken those who yet remain under it and that may cripple the purposes of stabilization?

Mr. OUTLAND. I think that would be one of the most immediate effects; yes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. ROWE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Suppose the increase applied to everybody in the United States now on a pay roll but there was not reflected any increase whatsoever in the cost of living or the price levels, price ceilings, or otherwise; wherein would there be any harm done?

Mr. ROWE. I think I see the gentleman's point. It is going to be absorbed between the terminals of the original cost and what it will sell for.

Mr. CRAWFORD. It is awarded out of the profits now being made on price ceilings established.

Mr. ROWE. That is right.

Mr. CRAWFORD. That is exactly what is being done with respect to all manufactured products.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield to the gentleman from New York.

Mr. FISH. There seems to be a little misunderstanding about the bill. This is permissive legislation. It merely permits the employer to reward faithful employees up to \$37.50 a week without going to the War Labor Board. It is permissive and not mandatory.

Mr. ROWE. To further carry out the thought expressed here, it would be by agreement between the employer and employee.

Mr. FISH. That is right. It is entirely in their hands. It must be by mutual agreement. It is not mandatory in any way. As far as I am concerned, the more they raise, the better.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, this amendment goes a lot further than its author intended for it to go, I believe. I have just called the Bureau of Labor Statistics to find out how far it goes. Their immediate impression was, based on some hasty statistics that they have collected together, that it takes out fully 50 percent of all of the employed people in his country from any wage stabilization. When you let all salaries float up to \$37.50, at least half of the people of this country will be eligible to have their wages adjusted.

They state further that of the remaining 50 percent, 90 percent of those wages would have to be adjusted to maintain the historic and the traditional wage differential between the degree of unskilled and skilled labor, so you would leave hardly a single wage, or less than 5 percent of them over the entire country, undisturbed by this jiggling of your wage-stabilization program. It is highly dangerous. It is highly inflationary.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I think the most dangerous thing about that policy is this: We are now trying to hold prices down with one hand, and with the other actually encouraging a spiral of costs, including wages, which would destroy the hold-the-line policy, and it seems to me that this would be an invitation to wages to rise in excess below the minimum mentioned, that is \$37.50.

Mr. MONRONEY. Of course it would. It would stir up strikes in this country and add a direct inflationary cost to all the processing and manufacturing, and thus force up consumer prices.

These other greatly expanded operational costs will ultimately bring all price levels higher.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the gentleman think that wages of \$37.50 or under are inflationary?

Mr. MONRONEY. I think they are absolutely inflationary if you take them all out from under regulation, because you move up the whole level all the way

through your schedule. You will be pulling workers from defense jobs into soda jerking and things of that kind, and putting into reverse the process you ought to be trying to do, and that is, to get people into essential industry.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Iowa.

Mr. JENSEN. I might remind the gentleman that anyone who is drawing a salary or wage under \$37.50 a week does not have the time to strike, or inclination to strike, or the finances to strike. He has to work.

Mr. MONRONEY. The gentleman certainly is not acquainted with the situation.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. OUTLAND. A great deal has been said on this amendment about voluntary agreements. I should simply like to ask the gentleman whether that is the crux of the matter. If a voluntary agreement is all that is required, then a landlord and tenant could agree to pay a price over the ceiling, or a buyer and seller could agree on the purchase of a commodity, and we could not touch it. You have the same principle here.

Mr. MONRONEY. Exactly. In many war industries you will find that they do hard work, and if you raise the level of the soda jerker as well as other employees engaged in the luxury lines, it will have the effect of taking these workers out of the defense plants and moving them over into the luxury trade.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, I just want to make the observation that this amendment, in my opinion, is highly inflationary. The situation now is such that the bill can go through conference with an excellent opportunity of the conferees agreeing on a bill that will approximately meet with the approval of all of the Members of the House. However, this amendment, in my opinion, would have a very bad, adverse effect upon the bill. It is very highly inflationary.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 47, noes 98.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. MONRONEY.

The Committee again divided; and the tellers reported that there were—ayes 70, noes 98.

So the amendment was rejected.

The Clerk read as follows:

SEC. 11. Such act of October 2, 1942, as amended, is amended by inserting at the end thereof the following new section:

"SEC. 12. The Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives, respectively, are authorized to conduct investigations as to the effectiveness of the stabilization activities carried on pursuant to this act, the Emergency Price Control Act of 1942, or otherwise, and as to the effect of such activities upon industry, production, renting and housing, and distribution. For such purposes, either such committee, acting as a whole or by subcommittee, may sit and act at such times, whether or not the Senate or House is sitting, has recessed, or has adjourned, hold such hearings, require by subpoena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, and take such testimony, as it deems necessary. Subpena may be issued under the signature of the chairman of either such committee or of any member designated by him, and may be served by any person designated by such chairman or member. Such committees, respectively, shall report from time to time to the Senate and House of Representatives the results of such investigations, together with such recommendations as such committees deem advisable."

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 22, line 18, strike out all beginning with "Sec." down to and including all of line 13 on page 23.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Missouri.

Mr. COCHRAN. It was my purpose to offer the same amendment, except that I was going to start on line 15, because we are considering section 11, which creates a new section 12. The gentleman should also strike out lines 15, 16, and 17 as well as the remainder of section 11.

Mr. SMITH of Ohio. Not line 17.

Mr. COCHRAN. Certainly. Section 11 reads:

Such act of October 2, 1942, as amended, is amended by inserting at the end thereof the following new section.

The gentleman strikes out the new section but he does not strike out the language I just read.

Mr. SMITH of Ohio. Mr. Chairman, I shall discuss my amendment. If the gentleman from Missouri wishes to offer an amendment to my amendment, he may do so.

Mr. Chairman, I discussed this amendment a few days ago. I shall not take much of the Committee's time to do so again. I feel that this section should be stricken because I do not want to see the Committee on Banking and Currency become a permanent investigating committee of the activities of the O. P. A.

The precedent has been cited of the Committees on Military Affairs and Naval Affairs, which are making investigations of the prosecution of the war. I believe these two propositions are altogether different. The Committees on

Military Affairs and Naval Affairs do not receive the complaints from the public that our Committee on Banking and Currency will certainly receive if the amendment I have offered does not prevail. To do this job effectively, in my opinion, will require some extra help on the part of the subcommittee, if it is done by a subcommittee; it will require a staff of stenographers and other help, and probably special quarters, if it is intended that this shall really mean anything. Of course, if this is something again as a sop to the people of our country, that is quite a different thing.

However, we are all overburdened with work, most of us, at any rate. Certainly I cannot get through with the work I have before me and I do not believe many other Congressmen are in a much better position than I am in this respect. Therefore, I feel that we should not be asked to take on this extra work.

There is another feature about this proposition. This can just as readily as not become a whitewashing committee. That stands to reason.

There are those of us, of course, who want to see the O. P. A. continue exactly as it has been operating, without any changes made at all. That has been demonstrated here on the floor. It was demonstrated in the committee. There are some of us who do want some changes effected in the operation of the Price Control Act. So I feel, as I said, that this can become a whitewashing committee and we should try to avoid that, which we can do only by striking out this section of the bill. Therefore, I hope the amendment will be adopted.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Yes.

Mr. CRAWFORD. It could not only become a whitewashing committee, but it could become a running cat-and-dog fight of the first order. If the O. P. A. and the injured person bring a complaint to the committee what is going to happen if the committee decides in favor of the O. P. A. and it gets to the people out in the country?

Mr. SMITH of Ohio. That is right.

Mr. CRAWFORD. I do not want to have anything to do with such a committee, now or ever.

Mr. SMITH of Ohio. There is another phase of this proposition we have to observe here, and that is this: We Republicans have been crying out against the continuous building up of bureaucracy. Yet, here we have a proposition which proposes to make the Congress of the United States a part of this bureaucracy and I am opposed to it.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it would be well if we realize just what this amendment offered by the gentleman from Ohio does. The Committee on Banking and Currency added section 12 to the bill. Allow me to read the important part of it which reads as follows:

The Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives, respectively, are authorized to conduct investigations as to the effectiveness of the

stabilization activities carried on pursuant to this act, the Emergency Price Control Act of 1942, or otherwise, and as to the effect of such activities upon industry, production, renting and housing, and distribution.

If there is one thing that we in this present Congress have been trying to do, it is to bring the executive and the legislative branches of this Government closer together and to reduce friction. We have heard that this bureau does that, and that bureau does the other thing, and that Congress has no check on them. This particular amendment attempts to meet exactly this situation. It is supposed to help bring to the people of America a better working relationship between the executive department and the legislative department of their Government. The gentleman from Ohio, who introduced the amendment to strike out this change in the committee bill, has stated that it would make Congress itself part of the bureaucracy. In my opinion it would help reduce bureaucracy through providing a continuous check by the House of Representatives upon the actions of this particular agency, the Office of Price Administration. I should like to see the principle that is embodied in this amendment offered in committee by the gentleman from Oklahoma [Mr. MONRONEY] and now included as part of the bill, spread to other committees and in the relationships of those other committees to other administrative agencies.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield, yes.

Mr. DONDERO. Mr. Chairman, this is one section of a bill that does not delegate authority to somebody else?

Mr. OUTLAND. It retains authority in Congress, I may say.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield to the distinguished gentleman from Arizona.

Mr. MURDOCK. Permit me to say I sanction the retaining of this provision in the bill, because I believe it will help curb bureaucracy.

Mr. OUTLAND. It is one step, as I said a moment ago, in the retention by this Congress of control over the activities of governmental agencies which we have established.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield to my friend from California.

Mr. VOORHIS of California. It appears to me it would be a lot more salutary if when these difficulties arise they could be dealt with by the committee as they come in and possibly corrections made by the agencies through the intercession of the committee instead of letting them pile up over a long period of time.

Mr. OUTLAND. Exactly so. This particular part of the act will help this Congress to keep in closer touch with the problems which arise under the stabilization program and to help solve those

problems more quickly and more easily. Mr. Chairman, I ask that this amendment be voted down.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, every day we hear on the floor of the House something in reference to duplication, waste, and extravagance in the executive branch of the Government. Defeat this amendment and it will be more than duplication. You will have 5 or 6 committees doing the same job. The gentleman from Virginia the other day, when he secured the floor by reason of a question of personal privilege, laid on this table twenty-odd volumes of hearings, each one of them an inch or two thick, hearings which were held by his committee as to the activities of the O. P. A. Everyone who was here at the time saw those hearings. That committee is in existence and stays in existence until January. Its jurisdiction remains with it. It can continue to investigate the O. P. A. just as often as it wants to. The Small Business Committee of the House, headed by the gentleman from Texas, [Mr. PATMAN] has been investigating the O. P. A. The gentleman from Texas [Mr. PATMAN] told the Committee on Accounts that he had employees on his committee who received from Members of Congress complaints in reference to regulations issued by the O. P. A. and that those employees would contact O. P. A. and try to get a satisfactory settlement in reference to the complaint. He told that to the Committee on Accounts when he was before the committee asking for an additional appropriation. His committee has investigated O. P. A. and is doing so now. Then you have another committee, the Committee of the Senate on Small Business, which is continually investigating the O. P. A. and its activities. The Appropriations Committee of the House has authority to investigate O. P. A. any time it desires. Has money for expenses. Now what do you propose to do here? This section would set up 2 more committees, 1 in the Senate and 1 in the House, to investigate the O. P. A., making 6 committees in all. Do you want 6 committees investigating the operations of O. P. A.? You have over 30 special and select committees in this House today and you have a larger number in the Senate. You have any number of resolutions pending before the Committee on Rules and in the Senate for additional special and select committees. This committee assumed the jurisdiction of the Committee on Rules when they put this section in the bill. It came in with the bill and was not subject to a point of order, as a result. But if that section was offered by the committee on the floor as an amendment to this bill, it would have been subject to a point of order, and every Member who knows anything about the rules, knows it would be subject to a point of order.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to understand clearly whether the gentle-

man from Missouri is in favor of the amendment offered by the gentleman from Ohio [Mr. SMITH]?

Mr. COCHRAN. Of course I am. I have the same amendment at the desk, but the gentleman from Ohio was recognized because he is a member of the committee. I am opposed to setting up two additional investigating committees when we have four doing the job now.

Mr. CRAWFORD. I misunderstood the gentleman from Missouri. I thought he said we should not adopt this amendment. The gentleman means we should not leave section 12 in the bill; is that correct?

Mr. COCHRAN. We should not leave this section in the bill. We should adopt the amendment to strike it out. As I said, if you adopt it you will have six committees, two in the Senate and four in the House, investigating the O. P. A. If this is not waste and extravagance I do not know what is, because you can take it from me that if you adopt this provision the chairman of the committee will put in a resolution asking for funds for expenses to carry out the purposes of this section. The section should be voted out because you have the other committees that are doing the very work which this provision covers.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman.

Mr. STEFAN. The gentleman does not mean the committee should vote down the amendment, but he means the committee should vote for the amendment?

Mr. COCHRAN. I think we should vote this section out and you can do so by voting for the amendment of the gentleman from Ohio.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. BARRY. The Committee on Banking and Currency never contemplated that this work would require a staff, but that it would be done by the members of the committee themselves and there would be no additional expense to the Government.

Mr. COCHRAN. I am very glad to get that information from the gentleman from New York, because if this amendment is defeated I will remember that when application is made to the Committee on Accounts for money. The gentleman is a member of the committee and as no other member of the committee corrects him then I take it the committee will not ask for expenses.

The fact is the Banking and Currency Committee has jurisdiction to inquire into the activities of O. P. A. any time it desires without any such authority as is contained in this section.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROLPH].

Mr. SPENCE. Mr. Chairman, I wonder if we can be on a limitation of time for debate on this section?

Mr. VOORHIS of California. I do not want to speak on this amendment but I do want 5 minutes on this section.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. CURTIS. Reserving the right to object, will all Members standing be recognized and for how long?

The CHAIRMAN. Five Members are standing. That would allow about 2½ minutes.

Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. ROLPH] is recognized.

Mr. ROLPH. Mr. Chairman, when the gentleman from Oklahoma [Mr. MONRONEY] offered this amendment in the committee I gladly supported it, because in my opinion it is one of the most progressive suggestions submitted to this body in a long time.

I have served on the Committee of Banking and Currency for over 3 years. It would have been helpful in considering our legislation if we had had a committee such as recommended by the gentleman from Oklahoma [Mr. MONRONEY] investigating the legislation which was referred to our committee. For instance, the House adopts legislation reported out by the Committee on Banking and Currency. We have no regular investigations into legislation after enacted into law. In many instances Members of this body receive complaints and communications from their constituents which could be brought before a subcommittee such as is incorporated in the suggestion of the gentleman from Oklahoma [Mr. MONRONEY]. Much of the debate and much of the criticism and much of the hard feeling which have been developed throughout the past 12 months could have been eliminated. In my opinion the debate that has taken place in the last few days could have been reduced to a minimum.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield.

Mr. FOLGER. Would not such a policy tend to eliminate these special committees we have been appointing by the dozen?

Mr. ROLPH. I am pleased the gentleman asked that question. When this session of Congress first convened I introduced a resolution authorizing the Committee on Banking and Currency to make a thorough investigation of rents. Our committee should have had that legislation, but as you know, another subcommittee was set up to investigate the O. P. A. in all of its branches and ramifications. If my resolution had been adopted at that time it would have been extremely helpful and beneficial to our own committee.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. ROLPH. I yield.

Mr. VOORHIS of California. I would like to say I believe the gentleman was not only right in that instance, but I think investigations of Government agencies should always be carried on by the standing committees which pass the legislation that affects them. I intro-

duced a resolution to provide that as a general matter of procedure.

Mr. ROLPH. I thank the gentleman very much.

As a member of the Committee on Banking and Currency I feel I would have been greatly assisted in studying this legislation if such a committee had been functioning. I sincerely hope the amendment now under consideration will be voted down.

Mr. GAMBLE. Will the gentleman yield?

Mr. ROLPH. I yield.

Mr. GAMBLE. Is it not a fact that the Office of Price Administration has indicated it will be glad to cooperate with the committee and that it will be very helpful in our considerations?

Mr. ROLPH. Yes. I understand that is the situation. I thank the gentleman for his observation.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from Nebraska [Mr. CURTIS] is recognized.

Mr. CURTIS. Mr. Chairman, I favor this amendment. I believe this section should be stricken out. In my opinion it is a violation of the principle of separation of powers. If there is one thing that has been complained about over the country, and very justly so, it is that the same individual or the same group make the law, interpret it, and enforce it. They act as judge, jury, legislator, and prosecutor. If we do not have a good price-control law the responsibility is the responsibility of the Congress and we must shoulder that responsibility. If we do not have fair, just, and honest administration of the price-control law the responsibility is on the administration, and I do not propose to share that responsibility. I am opposed to Congress assuming administrative and judicial duties that are not ours. As a matter of fact, if the executive branch of the Government undertook to supervise and direct the legislative functions of this Congress we ought to revolt against it. By the same token we ought not to undertake to direct the administration of these laws.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Miss SUMNER of Illinois. I voted for an amendment similar to this in the committee. I cannot see that there is any investigatory power under this section that the committee does not already have. There is nothing to prevent our investigating O. P. A. We do not need any money for it or any special investigators, if we want to file a bill and call the O. P. A. over there.

Mr. CURTIS. I respect the gentleman's opinion. As a matter of fact, the Congress of the United States will be in a position where the embarrassing problems in the hands of the administration will be placed in our hands, when the fault is poor and unwise and unjust administration.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CRAWFORD. In other words, just imagine what a predicament the committee would have been in had this present textile fight been dumped in our laps for the committee to work out.

Mr. CURTIS. Yes.

Mr. BARRY. Will the gentleman yield?

Mr. CURTIS. I yield.

Mr. BARRY. Our decisions will in no way affect the O. P. A. We have no power to change the law.

Mr. CURTIS. All you do is to shoulder responsibility for all of their blunders. The country shall hold the Congress responsible for legislation, but the Executive should be held responsible for the administration.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. CURTIS] has expired.

The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, I do not think this is a very serious problem. As far as I am concerned I do not care whether the committee has jurisdiction or not to conduct investigations. I think we should explain, however, that probably the Committee on Banking and Currency will have no opportunity whatsoever to function under this section even if it is adopted. You understand that, whereas committees in the other body of Congress are perpetual and do not die with each Congress, all of the committees of the House cease to exist upon the adjournment of Congress. These committees are set up again in the new Congress and they are given certain powers and only the powers we give to them when they are set up in the new Congress. So that at most, we can say this would give the House Committee on Banking and Currency authority to conduct these investigations only up to next January 3.

I do not anticipate the House Committee on Banking and Currency is going to have much of an opportunity to function in that respect between now and January 3. As far as I am able to determine this is the first time in the history of the Congress that a legislative committee has been given investigatory powers through the medium of a public bill. These powers heretofore have always been granted in a House resolution, or if it was in respect to powers to be granted a joint committee, in a concurrent resolution. I do not know but perhaps it is a dangerous precedent to set up machinery for the functioning of the Congress in legislation which has the effect of law.

I am not so sure but what we are giving people to understand that we in the Committee on Banking and Currency expect to assume a little larger share of the burden of administration of price control than we are prepared to and for that reason perhaps it is all right if the amendment is adopted and the section stricken out.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Kansas [Mr. SCRIVNER] is recognized for 2½ minutes.

Mr. SCRIVNER. Mr. Chairman, during the last few days we have heard a

great deal of criticism about the administration, rather the maladministration, of O. P. A. We have heard not a word mentioned about those thousands of nonpaid employees in the O. P. A. boards throughout the country who have given kind, courteous and considerate treatment to the people of the Nation. To date, about their only reward for their patriotic contribution to the war effort has been abuse from irate citizens, tormented, plagued and harassed by multitudinous regulations. These unselfish volunteers deserve our sincere and heartfelt thanks. Had it not been for their judgment and diplomacy in dealing with their neighbors the complaints from our citizens undoubtedly would have been increased a thousandfold.

The chief objection to this committee amendment is that it does not go far enough. In the O. P. A. we have one of the creatures of the Congress that is more powerful than its creator. O. P. A., without public hearings, can adopt regulations which the Supreme Court says are law, and the O. P. A. can repeal any of them overnight. Congress, to repeal or eradicate one of these regulations must hold open hearings, have public debate, pass the measure in both Houses, and then possibly have it subject to veto. Congress should have the right and power first to approve the rules and regulations before they become effective, or, after they are adopted, have the right of repeal of any of them by joint committee action.

Lest you may have the idea that we in this country are having all of this kind of trouble there is in the world, your attention is called to the trans-Atlantic edition of the Daily Mail for May 31, 1944, which carries a headline: "England's bureaucrats checked." Over there they have in Parliament what they call a scrutinizing committee which keeps vigil over—as they call it—umbrella legislation, a committee similar to that contemplated by this section, but apparently having more remedial power. They, just as we, are complaining against the bureaucratic vexatious, embarrassing, and harassing rules adopted by these various subdivisions or bureaus of the Government.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BUSBEY. Would the gentleman agree with me on the point that if they got rid of these three individuals, Tom Tippet, Tom Carson, and Shad Polier, that probably 75 percent of the complaints against O. P. A. would vanish?

Mr. SCRIVNER. It might help but I think they would have to get rid of quite a few others of the same school of thought.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The gentleman from New Jersey [Mr. TOWE] is recognized for 2½ minutes.

Mr. TOWE. Mr. Chairman, on Monday the Committee adopted an amendment which I offered to strike out one word in line 23 on page 11. The amendment had been on the Clerk's desk for 2½ or 3 days. I spoke to members of the Committee on both sides explaining

what in my opinion the amendment would do. Yesterday the gentleman from Indiana [Mr. HALLECK] addressed the Committee and told you that in his opinion the striking out of that word would make it possible for the O. P. A. to put in effect the grade-labeling program, or at least there was some opinion to that effect.

I want to make it clear to you that I am not for grade labeling and I do not believe the amendment I offered could by any stretch of the imagination be interpreted to permit the O. P. A. to put into force its grade-labeling program.

Mr. Chairman, I yield back the balance of my time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from Minnesota rise?

Mr. AUGUST H. ANDRESEN. To seek recognition.

The CHAIRMAN. There are but 2½ minutes remaining of the time fixed on this section. This has been allotted to the gentleman from Kentucky, the chairman of the committee.

The gentleman from Kentucky [Mr. SPENCE] is recognized for 2½ minutes.

Mr. SPENCE. I do not care to take my time but ask for a vote.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield to me?

Mr. SPENCE. Mr. Chairman, I ask for a vote.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out in addition to the language I have already asked be stricken, lines 14, 15, and 16, because they belong to that section.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to modify his amendment as indicated. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio to strike out section 11.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 92, noes 92.

So the amendment was rejected.

The Clerk read as follows:

SEC. 12. Such act of October 2, 1942, as amended, is amended by inserting after the section added thereto by the foregoing section of this act, a new section as follows:

"SEC. 13. This act may be cited as the 'Stabilization Act of 1942'."

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Committee on Banking and Currency and the House sitting as the Committee of the Whole have worked hard and for a long time on this bill, and I hope I may be borne with for 5 minutes while I attempt to speak of the bill generally and the shape it is in now.

In my judgment, the committee originally brought in a good piece of legislation. In my further judgment, some amendments have been adopted to the bill which have strengthened it rather than hurt it. Some of them I have supported. But I think there are three

amendments in particular which are either unnecessary or very harmful to the cause of stabilization in America. The first of these, in my opinion, is the amendment offered by the gentleman from Illinois [Mr. DIRKSEN]. The committee has already provided in its own bill an opportunity for court appeal and court review which makes possible a uniform decision on the validity or invalidity of the rule or regulation by the Emergency Court of Appeals in an expeditious manner. The committee provision will prevent anyone's being prosecuted under a regulation which might be held invalid, and will stay proceedings until the question of validity is determined. I believe the committee provision is adequate for the purpose. But under the amendment of the gentleman from Illinois there are altogether likely to be one set of standards and regulations existing in Chicago and an entirely different one in Milwaukee. For if the regulations were upheld in the Milwaukee district court and overthrown in Chicago, prices in the Chicago area might immediately increase and all the goods affected by the ruling would flow into the Chicago market and out of the Milwaukee market, as I think anyone ought to be able to see.

In the second place, although an amendment was offered by the gentleman from Illinois [Miss SUMNER] and adopted, which puts into the hands of the court complete discretion as to the amount of penalty that would be assessed against a man, therefore leaving in the hands of the court opportunity to take full account of whether or not the violation has been willful or not, nonetheless the House went ahead and adopted another amendment which, in effect, said, "Where ignorance is bliss, 'tis folly to be wise." This amendment actually invites people to fail to inform themselves about the facts and the law in order that they may plead ignorance as a defense. I do not think the Congress really wants to write into the law a new principle of jurisprudence, if principle it may be called, to the effect that ignorance of the law is an adequate defense. But that is what has been done. The Sumner amendment is, I think, all right. The Cravens amendment will, I believe, render effective enforcement practically impossible.

Finally, the House adopted an amendment which if there ever was a special-privilege amendment, this one is it, that provided a half billion dollars should be added to the price of refined petroleum products for all the people of this Nation, including, of course, the armed forces, which are by far the biggest purchasers. If I believed that this were the answer to the problem of the small producer, I would feel differently, but I do not. The only thing that can help them is an increase in the price they receive for their crude oil relative to the price of refined products that the Disney amendment does not give. Indeed, I myself introduced a bill which in my judgment would solve the problem of those small independent producers of crude petroleum by giving them special direct payments in sufficient amount to assure them a fair

margin over their costs if they continue production. Assistance of this sort for stripper-well operators and small high-cost crude producers should have been done over a year and a half ago, as the Office of Economic Stabilization recommended. But it has never been done. In my judgment, the reason is because the major oil companies, the greatest coagulation of political and economic power in this country, were opposed to letting it be done because it would take the little independents away from them as a front to get the over-all increase in the petroleum price, which they wanted.

There are many other arguments I could advance.

On April 3 I put in the RECORD a table showing the earnings of the oil companies of this country, comparing 1942 with 1943. If you look at those figures and find the very substantial increase in the earnings for 1943 over 1942 and see how Standard Oil of New Jersey made \$121,000,000 profit after taxes and paid a dividend of \$4.45 per share, I do not think the House is going to want ultimately to have this bill carry that provision.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from New Jersey, a few moments ago, spoke for his amendment which was unanimously adopted with reference to standards, grade labeling, brands, and trade names. It may be true that his amendment was sent to the desk but very few of us knew that he was going to offer it. I did not know it myself.

The word stricken out of the existing law by his amendment was the word "general", wherein it requires the administrator to follow the standards and specifications in general use in the trade. If the word "general" is stricken from the bill, it may be construed to give the Administrator the power to set up new standards and specifications, which is contrary to the intent of the Congress.

On two occasions, in the House and in the Senate, action has been taken to prohibit the Administrator from requiring compulsory grade labeling and the doing away with trade names and brands. I am asking you to consider this proposition because when we get back into the House I will ask for a separate vote on this amendment. I dislike very much to do this because of my friendship for the gentleman from New Jersey, but I am satisfied that he will not get the relief he seeks from the Administrator if the word "general" is stricken out. I hope he will go along with us because I know that neither he nor most of the other Members of the House favor compulsory grade labeling or the establishment of standards and specifications by the Administrator which are contrary to those in general use.

Mr. TOWE. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from New Jersey.

Mr. TOWE. The second line of article (j) prohibits grade labeling, does it not?

Mr. AUGUST H. ANDRESEN. That is true, but you must read all of the paragraphs together. The construction that has been placed there by the Congress involves 1, 2, 3, and 4, and you have to consider all the provisos together.

Mr. TOWE. They would still be in the bill. The second sentence will still remain in the bill?

Mr. AUGUST H. ANDRESEN. They will be in the bill but that will not stop the Administrator from establishing new standards and specifications if he wants to interpret the law to suit his convenience.

Mr. ANDERSON of California. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from California.

Mr. ANDERSON of California. In spite of the many provisions contained in the act, the O. P. A. still strives, through the back door, to put in a lot of programs that they would like to see put into effect?

Mr. AUGUST H. ANDRESEN. The O. P. A. is continually striving to get in through the back door to circumvent the will of Congress. I urge that the amendment be rejected.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. NORTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I realize that the members of the Banking and Currency Committee have spent many weeks in the preparation of this bill, and, in my opinion, they did an excellent job. I congratulate the committee. I had intended to wholeheartedly support the bill as it was reported to the House. I regret very much that it has been so greatly mutilated in the Committee of the Whole.

Mr. Chairman, I cannot violate my conscience by voting for this bill in its present form. It is one that I would term inflationary, and it certainly is not going to control prices, nor is it going to hold down wages. The women of the Nation are watching this Congress, and when the price of the things that they need goes up as a result of this bill, there will be an accounting day.

May I say also, Mr. Chairman, that if the bill passes in its present form—and I hope it will not—then you are going to hear from the people of the country who are working for wages, because with inflation wages cannot be kept static.

Most Members say they are in favor of O. P. A. What they mean is they are in favor if O. P. A. does not interfere with certain groups in their district demanding the right to run their business in the good old business-as-usual design—war notwithstanding. We had no O. P. A. to hold down prices during World War No. 1, with the result that prices advanced, according to the record, 102 percent from the outbreak of the war until Armistice Day, and 150 percent following the armistice. Do you want that to happen again?

In spite of some mistakes, O. P. A. has done a great job to hold down prices since 1942. From 1941 until O. P. A. was organized, prices skyrocketed, and they will again if this agency is destroyed.

That is all I have to say. I am opposed to the bill in its present form, and if I get the opportunity I shall vote against it unless the amendments that have been adopted are voted down. I refer specifically to the oil amendment, the rent-control amendment, the amendment offered by the gentleman from New Jersey [Mr. HARTLEY], and also to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

(Mr. COCHRAN asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, pursuant to House Resolution 582, reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I demand a separate vote on the Disney, Dirksen, and Gifford amendments.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand a separate vote on the Towe amendment striking out the word "general" in line 23 on page 11 of the bill.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: Page 12, line 2, insert a new subsection (n) to read as follows:

"In the fixing of prices for crude petroleum and the products thereof and derivatives therefrom, as provided under the Price Control Act of 1942, as amended, consideration shall be given to the necessity for exploring for crude petroleum and the maintenance of a competitive position in the petroleum industry and to that end shall give consideration to the parity prices as indicated by the relationship between the index based on the national average price of crude petroleum and the index of all commodities as reported by the United States Department of Labor, Bureau of Labor Statistics, in its Wholesale Commodity Price Index based on the year 1926: *Provided, however,* That such ceilings shall not be fixed or maintained at less than 80 percent of parity and not to exceed parity, per barrel above the present respective price ceilings for crude petroleum, and its products and derivatives."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 141, noes 139.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays 204, not voting 46, as follows:

[Roll No. 89]
YEAS—178

Allen, Ill.	Grant, Ind.	Miller, Mo.
Andersen,	Gregory	Miller, Pa.
H. Carl	Griffiths	Morrison, La.
Anderson, Calif.	Gross	Murray, Tenn.
Anderson,	Gwynne	Murray, Wis.
N. Mex.	Hagen	Norman
Andresen,	Hall	Norrell
August H.	Edwin Arthur	O'Brien, N. Y.
Andrews, N. Y.	Hall	O'Hara
Arends	Leonard W.	Pace
Barden	Halleck	Patton
Barrett	Hancock	Peterson, Fla.
Bates, Ky.	Harness, Ind.	Phillips
Beall	Harris, Ark.	Pittenger
Beckworth	Hartley	Ploesser
Bennett, Mo.	Hebert	Poage
Bishop	Heidinger	Randolph
Boykin	Hendricks	Rankin
Bradley, Mich.	Hill	Reece, Tenn.
Brehm	Hinschaw	Reed, Ill.
Brooks	Hobbs	Reed, N. Y.
Brown, Ohio	Hoffman	Rees, Kans.
Busbey	Holmes, Mass.	Rivers
Cannon, Fla.	Hope	Rizley
Carlson, Kans.	Horan	Robison, Ky.
Carrier	Howell	Rockwell
Carson, Ohio	Jenkins	Rodgers, Pa.
Carter	Jennings	Rohrbough
Chapman	Jensen	Rolph
Chenoweth	Johnson,	Russell
Chiperfield	Anton, J.	Schiffler
Church	Johnson,	Schwabe
Clevenger	Calvin D.	Scrivner
Cole, Mo.	Johnson, Ind.	Short
Cole, N. Y.	Johnson,	Simpson, Ill.
Colmer	J. Leroy	Slaughter
Compton	Johnson,	Smith, Ohio
Cooley	Luther A.	Starnes, Ala.
Costello	Johnson, Okla.	Stigler
Cox	Johnson, Ward	Sumner, Ill.
Cravens	Jones	Sumners, Tex.
Crawford	Jonkman	Taber
Curtis	Kilday	Talbot
Day	King	Talle
Dewey	Kinzer	Thomas, N. J.
Dirksen	Kleberg	Thomas, Tex.
Disney	Knutson	Thomason
Doughton	Lambertson	Tibbott
Elliott	Landis	Troutman
Elmer	Lanham	Vincent, Ky.
Elston, Ohio	Larcade	Vinson, Ga.
Engel, Mich.	Lea	Vurell
Fenton	LeFevre	Wadsworth
Fernandez	McConnell	Welchel, Ohio
Fisher	McCowan	West
Gathings	McGehee	White
Gavin	McGregor	Wickersham
Gearhart	McKenzie	Willey
Glichrist	McMillan	Winter
Gillespie	McWilliams	Woodruff, Mich.
Gillette	Mahon	Worley
Gossett	Manasco	
Graham	Mason	

NAYS—204

Abernethy	Cannon, Mo.	Fay
Andrews, Ala.	Case	Feighan
Angell	Celler	Fellows
Auchincloss	Clark	Fitzpatrick
Baldwin, Md.	Clason	Flannagan
Baldwin, N. Y.	Cochran	Fogarty
Barry	Coffee	Folger
Bates, Mass.	Cooper	Forand
Bender	Courtney	Fulmer
Bennett, Mich.	Crosser	Furlong
Blackney	Cunningham	Gale
Bland	Curley	Gamble
Bloom	D'Alesandro	Gerlach
Boiton	Davis	Gillie
Bonner	Dawson	Goodwin
Bradley, Pa.	Delaney	Gordon
Brown, Ga.	Dickstein	Gore
Brumbaugh	Dilweg	Gorski
Bryson	Dingell	Grant, Ala.
Buckley	Dondero	Hale
Buffett	Douglas	Hare
Bulwinkle	Drewry	Hart
Burch, Va.	Durham	Hays
Burchill, N. Y.	Dworshak	Heffernan
Burgin	Eaton	Herter
Butler	Eberharter	Hess
Byrne	Ellison, Md.	Hoch
Camp	Ellsworth	Hoeven
Cannfield	Engle, Calif.	Holifield

Holmes, Wash.	Miller, Nebr.	Sheridan
Hull	Monkiewicz	Smith, Maine
Izac	Monroney	Smith, Va.
Jackson	Mott	Smith, W. Va.
Jarman	Mruk	Smith, Wis.
Jeffrey	Mundt	Snyder
Johnson,	Murdoch	Sparkman
Lyndon B.	Murphy	Spence
Judd	Myers	Springer
Kean	Norton	Stanley
Kearney	O'Brien, Ill.	Stefan
Keefe	O'Brien, Mich.	Stockman
Kefauver	O'Konski	Sullivan
Kelley	O'Neal	Sundstrom
Kennedy	O'Toole	Tarver
Keogh	Outland	Taylor
Kerr	Pfeifer	Tolan
Kilburn	Philbin	Torrens
Kirwan	Poulson	Towe
Kunkel	Powers	Treadway
LaFollette	Pracht	Voorhis, Calif.
Lane	C. Frederick	Vorys, Ohio
LeCompte	Pratt	Walter
Lesinski	Joseph M.	Ward
Luce	Priest	Wasieleski
Ludlow	Ramey	Weaver
Lynch	Ramspeck	Weiss
McCormack	Robertson	Welch
McLean	Robinson, Utah	Wene
McMurray	Rogers, Mass.	Whittington
Maas	Rowan	Wigglesworth
Madden	Rowe	Wilson
Maloney	Sabath	Winstead
Mansfield,	Sadowski	Wolcott
Mont.	Sasser	Wolfenden, Pa.
Marcantonio	Satterfield	Wolverton, N. J.
Martin, Iowa	Sauthoff	Woodrum, Va.
Martin, Mass.	Scanlon	Wright
Merritt	Scott	Zimmerman
Michener	Shafer	
Miller, Conn.	Sheppard	

NOT VOTING—46

Allen, La.	Green	Patman
Arnold	Harless, Ariz.	Peterson, Ga.
Bell	Harris, Va.	Plumley
Boren	Kee	Price
Burdick	Klein	Rabaut
Capozzoli	Lemke	Richards
Dies	Lewis	Sikes
Ellis	McCord	Simpson, Pa.
Fish	Magnuson	Somers, N. Y.
Ford	Mansfield, Tex.	Stearns, N. H.
Fulbright	May	Stevenson
Fuller	Morrow	Stewart
Gallagher	Mills	Whelchel, Ga.
Gibson	Morrison, N. C.	Whitten
Gifford	Newsome	
Granger	O'Connor	

So the amendment was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Kee with Mr. Arnold.
Mr. Capozzoli with Mr. Plumley.
Mr. Magnuson with Mr. Fuller.
Mr. Klein with Mr. Gifford.
Mr. May with Mr. Ellis.
Mr. Somers of New York with Mr. Stevenson.
Mr. Mills of Arkansas with Mr. Lewis.
Mr. Peterson of Georgia with Mr. Gallagher.
Mr. Fulbright with Mr. Lemke.
Mr. Whitten with Mr. Fish.
Mr. Harless of Arizona with Mr. Morrow.
Mr. McCord with Mr. Simpson of Pennsylvania.
Mr. Rabaut with Mr. Burdick.
Mr. Mansfield of Texas with Mr. Stearns of New Hampshire.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: Page 16, after line 7, insert the following:

"Sec. 6. (a) The first sentence of section 204 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'Any person who is aggrieved by the

denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), or with the appropriate district court, specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part.

"(b) The fourth sentence of section 204 (c) of such act, as amended, is amended to read as follows: 'The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act.'

"(c) The first two sentences of section 204 (d) of such act, as amended, are amended to read as follows: 'Within 30 days after entry of a judgment or order, interlocutory or final, by the district court provided for in subsection (a) or the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1940 ed., title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The district court provided for in subsection (a), the Emergency Court of Appeals, the appropriate circuit court of appeals upon review of judgments and orders such district court, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals and of such district court or circuit court of appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule.'"

The SPEAKER. The question is on agreeing to the amendment.

Mr. SHORT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 181, not voting 41, as follows:

[Roll No. 90]

YEAS—200

Abernethy	Cole, Mo.	Griffiths
Allen, Ill.	Cole, N. Y.	Gwynne
Allen, La.	Colmer	Hagen
Andersen,	Compton	Hall
H. Carl	Cooley	Edwin Arthur
Anderson, Calif.	Costello	Halleck
Andersen,	Cox	Hare
August H.	Cravens	Harness, Ind.
Andrews, Ala.	Cunningham	Harris, Va.
Angell	Curtis	Hartley
Arends	Day	Hébert
Auchincloss	Dewey	Heidinger
Barden	Dirksen	Hendricks
Barrett	Disney	Hess
Beall	Douglas	Hill
Beckworth	Durham	Hobbs
Bennett, Mich.	Dworshak	Hoeven
Bennett, Mo.	Eaton	Hoffman
Bishop	Ellsworth	Holmes, Wash.
Bland	Elmer	Hope
Boykin	Elston, Ohio	Horan
Bradley, Mich.	Engle, Calif.	Howell
Brehm	Fellows	Jeffrey
Brooks	Fenton	Jenkins
Brown, Ohio	Fernandez	Jennings
Brumbaugh	Fish	Jensen
Buffett	Fisher	Johnson,
Busbey	Gathings	Anton J.
Butler	Gavin	Johnson,
Cannon, Fla.	Gearhart	Calvin D.
Carlson, Kans.	Gerlach	Johnson, Ind.
Carrier	Gilchrist	Johnson,
Carson, Ohio	Gillespie	Luther A.
Carter	Gillette	Johnson, Okla.
Case	Gillie	Johnson, Ward
Chenoweth	Goodwin	Jones
Chipperfield	Gossett	Jonkman
Church	Grant, Ala.	Keefe
Clason	Grant, Ind.	Kilday
Clevenger	Green	Kleberg

Knutson	O'Hara	Slaughter
Lambertson	Patton	Smith, Ohio
Landis	Peterson, Fla.	Smith, Wis.
Lanham	Philbin	Springer
Larcade	Phillips	Starnes, Ala.
Lea	Pittenger	Stefan
McConnell	Ploeser	Stevenson
McCowan	Poage	Stigler
McGehee	Powers	Stockman
McGregor	Rankin	Summers, Tex.
McKenzie	Reece, Tenn.	Sundstrom
McMillan	Reed, Ill.	Talle
McWilliams	Reed, N. Y.	Tarver
Maas	Rees, Kans.	Thomas, N. J.
Mahon	Rivers	Thomason
Manasco	Rizley	Tibbott
Martin, Iowa	Robson, Ky.	Tolan
Martin, Mass.	Rockwell	Towe
Mason	Rogers, Mass.	Treadway
Miller, Mo.	Rohrbough	Troutman
Miller, Nebr.	Rolph	Vorys, Ohio
Miller, Pa.	Russell	Vursell
Morrison, La.	Schwabe	Welchel, Ohio
Mott	Scott	West
Mruk	Scrivner	Wiley
Mundt	Shafer	Winstead
Murray, Tenn.	Sheridan	Winter
Murray, Wis.	Short	Wolfenden, Pa.
Newsome	Sikes	Woodruff, Mich.
Norman	Simpson, Ill.	Worley
Norrell	Simpson, Pa.	

NAYS—181

Anderson,	Gregory	O'Neal
N. Mex.	Hale	O'Toole
Andrews, N. Y.	Hall	Outland
Baldwin, Md.	Leonard W.	Pace
Baldwin, N. Y.	Hancock	Pfeifer
Barry	Harris, Ark.	Poulson
Bates, Ky.	Hart	Pracht,
Bates, Mass.	Hays	C. Frederick
Bender	Heffernan	Pratt,
Blackney	Herter	Joseph M.
Bloom	Hinshaw	Priest
Bolton	Hoch	Ramey
Bonner	Holtfield	Ramspeck
Bradley, Pa.	Holmes, Mass.	Randolph
Brown, Ga.	Hull	Robertson
Bryson	Izac	Robinson, Utah
Buckley	Jackson	Rodgers, Pa.
Bulwinkle	Jarman	Rowan
Burch, Va.	Johnson,	Rowe
Burchill, N. Y.	J. Leroy	Sabath
Burgin	Johnson,	Sadowski
Byrne	Lyndon B.	Sasser
Camp	Judd	Satterfield
Canfield	Kean	Sauthoff
Cannon, Mo.	Kearney	Scanlon
Celler	Kefauver	Schiffner
Chapman	Kelley	Smith, Maine
Clark	Kennedy	Smith, Va.
Cochran	Keogh	Smith, W. Va.
Coffee	Kerr	Snyder
Cooper	Kilburn	Somers, N. Y.
Courtney	King	Sparkman
Crawford	Kinzer	Spence
Crosser	Kirwan	Stanley
Curlley	Kunkel	Sullivan
D'Alesandro	LaFollette	Sumner, Ill.
Davis	Lane	Taber
Dawson	LeCompte	Talbot
Delaney	LeFevre	Taylor
Dickstein	Lesinski	Thomas, Tex.
Dilweg	Luce	Torrens
Dingell	Lynch	Vincent, Ky.
Dondero	McCormack	Vinson, Ga.
Doughton	McLean	Voorhis, Calif.
Drewry	McMurray	Wadsworth
Eberharter	Madden	Walter
Elliott	Maloney	Ward
Ellison, Md.	Mansfield,	Wasielewski
Engel, Mich.	Mont.	Weaver
Feighan	Marcantonio	Weiss
Fitzpatrick	Merritt	Welch
Flannagan	Michener	Wene
Fogarty	Miller, Conn.	White
Folger	Monkiewicz	Whittington
Forand	Monroney	Wickersham
Fulmer	Murdock	Wigglesworth
Furlong	Murphy	Wilson
Gale	Myers	Wolcott
Gamble	Norton	Wolverton, N. J.
Gordon	O'Brien, Ill.	Woodrum, Va.
Gore	O'Brien, Mich.	Wright
Gorski	O'Brien, N. Y.	Zimmerman
Graham	O'Konski	

NOT VOTING—41

Arnold	Fay	Granger
Bell	Ford	Gross
Boren	Fulbright	Harless, Ariz.
Burdick	Fuller	Kee
Capozzoli	Gallagher	Klein
Dies	Gibson	Lemke
Ellis	Gifford	Lewis

Ludlow	Morrison, N. C.	Richards
McCord	O'Connor	Sheppard
Magnuson	Patman	Stearns, N. H.
Mansfield, Tex.	Peterson, Ga.	Stewart
May	Plumley	Whelchel, Ga.
Morrow	Price	Whitten
Mills	Rabaut	

So the amendment was agreed to.

The Clerk announced the following pairs:

Until further notice:

On this vote:

Mr. Fuller for, with Mr. Magnuson against.
Mr. Gifford for, with Mr. Kee against.

General pairs:

Mr. May with Mr. Ellis.
Mr. Capozzoli with Mr. Plumley.
Mr. Fay with Mr. Gross.
Mr. Mills with Mr. Lewis.
Mr. Peterson of Georgia with Mr. Gallagher.
Mr. Harless of Arizona with Mr. Morrow.
Mr. Rabaut with Mr. Burdick.
Mr. Whitten with Mr. Stearns of New Hampshire.
Mr. Klein with Mr. Lemke.
Mr. Fulbright with Mr. Arnold.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD: After subsection (k) insert subsection (l):

"No maximum price shall be established for any fishery commodity below a price which shall reflect to producer fishermen the higher of the following prices:

"(1) The highest average price of such commodity in the year 1942;

"(2) The price which shall reflect to such producers prices or wages, as the case may be, equal to the highest prices or wages paid to such producers between January 1 and September 15, 1942."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 107, noes 200.

So the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. TOWSE: Page 11, line 23, strike out the word "general."

The SPEAKER. The question is on the amendment.

The amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CRAWFORD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAWFORD. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion of the gentleman from Michigan.

The Clerk read as follows:

Mr. CRAWFORD moves to recommit the bill, H. R. 4941, to the Committee on Banking and Currency.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Without objection, the Clerk will be authorized to correct section and paragraph numbers.

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the bill S. 1764 and insert therein the provisions of H. R. 4941 as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1764, with a House amendment thereto, insist on the House amendment, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Speaker appointed the following conferees: Messrs. SPENCE, BROWN of Georgia, BARRY, MONRONEY, WOLCOTT, CRAWFORD, and GAMBLE.

SWEARING IN OF A MEMBER

The SPEAKER laid before the House the following communication from the Clerk of the House:

JUNE 13, 1944.

The honorable the SPEAKER,
House of Representatives.

SIR: The certificate of election in due form of law of Hon. ELLESWORTH B. BUCK, as a Representative-elect to the Seventy-eighth Congress from the Eleventh Congressional District of the State of New York, to fill the vacancy caused by the death of Hon. James A. O'Leary, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. BUCK appeared at the bar of the House and took the oath of office.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that in extending the remarks I made today I may include a

statement from the Treasury Department on the circulation of United States money.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial tribute to Vice Admiral Waesche.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. AUGUST H. ANDRESEN, Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include therein certain extracts from reports.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and further to extend my remarks and include therein a newspaper article and a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter received from General Marshall and my reply, and an article written by me.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION OF RECORD

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent that the RECORD of Monday, June 12, be corrected so that in line 7 of the fourth paragraph on page

A3187, in a speech I made in the House on Saturday, June 10, the words "on the one hand" may be stricken out. This simply corrects the grammar.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two short editorials.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. ELMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Flag Day.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement by Mr. W. M. Floyd, national commander of the Regular Veterans' Association.

The SPEAKER. Is there objection to the request of the delegate from Alaska?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mrs. NORTON and Mr. ROLPH asked and were given permission to revise and extend their remarks in the RECORD.)

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Washington Post on the Coast Guard.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address on Flag Day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein the correct and officially signed resolution passed by the Polish-American Congress.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in the first to include a resolution adopted at the thirty-ninth annual conference of the Municipal Finance Officers Association, and in the second to include an address delivered at that conference by Ralph L. Vannane, secretary of the New York City Employees Retirement System. In connection with the latter request, I understand that it will exceed the limit, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter written by me to the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech I delivered on May 21.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

[The matter referred to appears in the Appendix.]

HON. SCHUYLER OTIS BLAND

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, the House Committee on Merchant Marine and Fisheries, appreciating the distinguished services of their chairman, will hold exercises on Friday, June 16, at 10 o'clock, in the committee room of that committee in the Old House Office Building, honoring the Honorable SCHUYLER OTIS BLAND, of Virginia. We would be delighted to have such Members of the House as can attend join us in these exercises. It gives me great pleasure to extend this invitation to all the Members of the House on behalf of the Committee on the Merchant Marine and Fisheries.

EXTENSION OF REMARKS

Mr. O'TOOLE and Mr. HARTLEY asked and were given permission to extend their remarks in the RECORD.

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include an address by the regional forester of the Northwest, H. J. Andrews, and in the other to include an article by Dorothy Thompson.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BYRNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of Jews in up-State New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech delivered by the senior Senator from Pennsylvania [Mr. DAVIS].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article from the Chicago Daily News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

DEPARTMENT OF AGRICULTURE APPROPRIATION, 1945

Mr. TARVER. Mr. Speaker, I call up the conference report on the bill (H. R. 4443), making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk began to read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of June 6, 1944.)

Mr. TARVER. Mr. Speaker, this report having been printed in the RECORD of Tuesday of last week I ask unanimous consent that further reading of the report may be dispensed with.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I shall not object, I should like to ask the gentleman from Georgia [Mr. TARVER] a question.

Mr. TARVER. Mr. Speaker, I should be very glad to yield to the gentleman from Mississippi when discussion begins on the conference report. Could not the gentleman from Mississippi wait until that time?

Mr. RANKIN. Yes; that is all right.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Speaker, there was inadvertently omitted from the statement of the managers a statement which had been agreed upon by the House and Senate conferees as to the application of a reduction of \$29,200 in the appropriations for salaries and expenses, Office of the Secretary.

Mr. Speaker, I ask unanimous consent that this addition to the statement of the managers may be inserted in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The statement is as follows:

When this bill was reported to the House, it carried a reduction of \$29,200 below the Budget estimate in the appropriation for salaries and expenses, Office of the Secretary. The report accompanying the bill indicated the cut was to be applied to the Secretary's immediate office. When the Senate committee reported the bill to the Senate it did not restore any part of the reduction, which had been ratified by House action, but the Senate committee's report recommended that "the \$29,200 reduction be applied not solely to the immediate Office of the Secretary but rather that it be spread throughout the various items financed under this appropriation." At the meeting of the conference between the House and the Senate this conflict between the committee reports to the two bodies was considered and it was agreed that 50 percent of the reduction should be applied as indicated in the House report and that the remaining 50 percent should be applied as indicated in the Senate report. It was further agreed that a statement of the foregoing should be incorporated in the statement of the House managers accompanying the conference report.

Mr. TARVER. Mr. Speaker, by inadvertence, this matter was omitted from the statement of the House managers and I am, therefore, including it in my remarks to the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. TARVER. Mr. Speaker, I now yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I notice in the bill the Senate provided \$40,000,000 for rural electrification and the conferees cut that down to \$25,000,000. Of course, there is a great scarcity of materials now, but there are \$100,000,000 worth of applications now pending with the Rural Electrification Administration. I want to ask the gentleman from Georgia if the thing should take such a turn that materials should be made available, what the chances would be for us to get a deficiency appropriation to take care of it?

Mr. TARVER. Mr. Speaker, in reply to the question of the gentleman from Mississippi, I wish to point out that the report of the conferees provides for \$25,000,000.

Mr. RANKIN. Yes; that is right.

Mr. TARVER. It provides \$25,000,000 for the Rural Electrification Administration, which is \$5,000,000 in excess of the Budget estimate and which, together with the unobligated balance which will be on hand at the end of the present fiscal year, should be amply sufficient to take care of the needs of the Rural Electrification Administration for the

next fiscal year. May I point out to the gentleman that while allocations in excess of \$28,000,000 have been made by the R. E. A. for the present fiscal year, there has been only expended until June 9, 1944, according to a statement from Mr. Vincent D. Nicholson, Deputy Administrator, which I have before me, and which is dated today, of \$33,500,000 made available in the 1944 agricultural appropriation act, considering the reappropriation of the unexpended balance of \$13,500,000, \$1,961,676?

In other words, while allocations in excess of \$28,000,000 have been made, there has been actually spent of the money made available for this fiscal year, only slightly less than \$2,000,000. That, of course, does not include amounts paid out from appropriations and on allocations made in previous years. Our conferees, while they are very much interested in the work of the Rural Electrification Administration, and believe in making adequate provision for it, have seen no reason for making provision largely in excess of any anticipated needs and largely in excess of budget estimates, and for that reason we have agreed with the Senate on only an increase of \$5,000,000 over the budget, which gives \$25,000,000 to them. I am not a member of the Deficiency Committee, but I certainly hope that if a condition should come about under which materials may be available for rural electric line construction to a greater degree than is now anticipated, the Deficiency Subcommittee may bring in a bill making additional appropriations if those be necessary. But I want to point out this, that Mr. Nicholson advised me personally today that unless a change occurs in the present situation there will be no necessity for the appropriation of more than the amount of \$25,000,000 provided for in the conference report.

Mr. RANKIN. Yes; I will say to the gentleman from Georgia, I also discussed this matter with Mr. Nicholson only a few moments ago and if conditions continue to improve from the standpoint of our military operations abroad, the chances are that materials would be made available. If they are, we are going to need a great deal more even than was provided by the Senate amendment. What I want to know, and if the gentleman will yield to me further so that I can ask the chairman of the full Committee on Appropriations who is, I believe, the chairman of the Committee on Deficiency Appropriations, if that should occur, we will need at least \$100,000,000, and what I want to know is whether or not there would be a prospect of getting a deficiency appropriation in case that happens.

Mr. TARVER. Of course, if the chairman of the full committee, who is also chairman of the Committee on Deficiency Appropriations, desires to answer the gentleman's question, I shall be glad for him to do so.

Mr. CANNON of Missouri. Mr. Speaker, I am certain that if the situation made it possible to make available the needed materials, the deficiency appropriation would be provided. Of course, that is merely my opinion, but judging

by the importance of it and the interest of all the members of the committee, both of the subcommittee and the full committee, I have no doubt that a deficiency appropriation would be provided.

Mr. RANKIN. I thank the gentleman.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield for a question?

Mr. TARVER. I yield.

Mr. CRAWFORD. What is there in the bill as it comes back to the House which has to do with the Farm Security Administration?

Mr. TARVER. There is an amendment relating to the Farm Security Administration making appropriations for the Farm Security Administration which is reported in disagreement, but with regard to which the managers on the part of the House will offer a motion to recede and concur with amendments. The gentleman from Michigan will find all of that stated in the conference report.

Mr. CRAWFORD. I thank the gentleman.

Mr. TARVER. Mr. Speaker, the conference report and the statement of the managers were printed in the CONGRESSIONAL RECORD last week, and unless there are other Members who desire to ask questions with regard to what is contained in the conference report I shall move the previous question.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield at this point for one further word with reference to the Farm Security Administration?

Mr. TARVER. We are going to reach that in the consideration of the amendment relating to the Farm Security Administration. It is not involved in the conference report.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I understand that, but I would like to know if the gentleman will agree to recognize me at the proper time to offer an amendment which has for its purpose the earmarking of \$25,000,000 for the returned veterans and their families in the rehabilitation loans.

Mr. Speaker, of course, I have no thought of trying to offer an amendment to the conference report, but only to the amendment which is in controversy.

Mr. TARVER. We have not reached the Farm Security Administration amendment yet, and when we get to that I will be glad to have the gentleman from Oklahoma interrogate me further.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. TARVER. Yes.

Mr. JENSEN. What did the conference committee do about the farm seed request that was made by the nursery people?

Mr. TARVER. Does the gentleman refer to the incentive payments of \$12,500,000 in the Senate bill?

Mr. JENSEN. No, there was a request made by the nursery people of this Nation that an appropriation be submitted to get more farm seeds to the farmer, farm seeds, such as clover, alfalfa, and some other kinds.

Mr. TARVER. The gentleman evidently has reference to Senate amendments Nos. 52 and 53, relating to an ap-

propriation of \$12,500,000 for incentive payments for harvesting seeds of grasses and legumes. That will come up later. It is not in the conference report.

Mr. JENSEN. I thank the gentleman.

Mr. TARVER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that amendments in disagreement Nos. 5, 7, and 31 may be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

The SPEAKER. The Clerk will report amendments Nos. 5, 7, and 31 in disagreement.

The Clerk read as follows:

Amendment No. 5: On page 10, line 23, insert "including the salary of Chief of Bureau at \$10,000 per annum."

Amendment No. 7: On page 16, line 17, insert "including the salary of the Administrator at \$9,200 per annum."

Amendment No. 31: Page 49, line 20, insert "at \$9,200 per annum."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in Senate amendments Nos. 5, 7, and 31.

The SPEAKER. The question is on the motion of the gentleman from Georgia [Mr. TARVER].

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield.

Mr. TABER. Does this mean raising salaries without regard to the Classification Act?

Mr. TARVER. No. This means that if the motion which has been made by the managers on the part of the House, and which has been unanimously offered as I recall the action of these managers, is agreed to, these persons will continue to receive the same salaries they have been receiving heretofore and are now receiving.

Mr. TABER. Why is it necessary to have legislation?

Frankly I am bothered about this, because there is another amendment coming up later to raise another group of salaries. If we are going to start to do it here we are not in a very good position to support opposition to the rest of it.

Mr. TARVER. May I say to the gentleman that I am as strongly opposed to increasing the salaries of Federal employees at this time as he could possibly be. However, these salaries provided in this amendment, as I understand, are the same salaries that have been paid to these officials over a term of years. There is no increase involved. It has been necessary, as a matter of procedure under the House rules, to bring these amendments relating to these salaries back for the concurrence of the House, as they are legislative in character. There is no increase in the salaries carried in this year's Agriculture Department Appropriation Act, contemplated by these amendments.

The SPEAKER. The question is on the motion of the gentleman from Georgia [Mr. TARVER].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. TARVER. Amendments 9 through 14, inclusive, relate to proposed increases in salaries of veterinarians and lay assistants in the field service in the Bureau of Animal Industry. I ask unanimous consent that they be considered en bloc.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment No. 9: On page 22, line 10, strike out "\$5,240,355" and insert "\$5,433,232."

Amendment No. 10: On page 23, line 22, strike out "\$114,288" and insert "\$115,440."

Amendment No. 11: On page 24, line 8, strike out "\$951,253" and insert "\$1,003,130."

Amendment No. 12: On page 24, line 14, strike out "\$8,616,759" and insert "\$9,359,124."

Amendment No. 13: On page 24, line 21, strike out "\$272,115" and insert "\$279,228."

Amendment No. 14: On page 24, line 23, strike out "\$37,007" and insert "\$38,444."

Mr. TARVER. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendments numbered 9 to 14, inclusive.

I now yield 3 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, with reference to these amendments in which I am very much interested, I would like to speak about the possibility of trying to raise the salaries of these men in the Bureau of Animal Industry.

As you all know, we are very proud of the Bureau of Animal Industry. It is one of the important divisions of the Government. Unless something is done to take care of this problem of salaries for these men, it is a question whether we will be able to hold those men in the Government service. Already 76 veterinarians have left the service and I understand before the end of the year there will be several others who will leave the Government because of the fact they cannot live on the salaries they are receiving at the present time.

The Civil Service Commission recognized the training of these men and their lay assistants for inspection service in controlling these animal diseases. For some reason the personnel in the Bureau of Animal Industry and the Meat Inspection Service have not received the proper classification because of the lack of appropriation.

I ask you gentlemen, Is this fair? This group of employees entered the service with the earnest intent of serving their Government and applying their skill and training. They understood naturally that when they became more experienced, and their responsibilities increased they would be promoted to a higher grade, thus receiving compensation commensurate to the service rendered.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. KEEFE. May I inquire whether the gentleman intended to make a motion to recede and concur in the Senate amendments, so as to make effective

these increases which the gentleman is now discussing?

Mr. GILLIE. That is just what I was about to do.

Mr. Speaker, I move that the House recede and concur in the Senate amendments.

The SPEAKER. The Clerk will report the motion offered by the gentleman from Indiana [Mr. GILLIE].

The Clerk read as follows:

Mr. GILLIE moves to recede and concur in Senate amendments Nos. 9, 10, 11, 12, 13, and 14.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, I rise in support of the motion offered by the gentleman from Indiana [Mr. GILLIE] that we recede and concur in the amendments which have been placed in this bill by the Senate. As the gentleman from Indiana [Mr. GILLIE] has stated, the people engaged in the industry have been very seriously handicapped by the low wages which have been paid. As a consequence, many of the veterinarians in the service, as well as the lay employees, have been seriously handicapped. Many of them have left the service. That service involves the important work of inspecting our meat industry, at a time when there is a very necessary demand for that service, not only in the matter of the hoof-and-mouth disease, Bangs disease, but in the inspection of meats, which not only go to the armed forces but to the people of this country.

This matter was discussed when the bill was before the House previously and I do hope we will recede and concur in the amendments which have been placed in the bill by the Senate, to authorize additional funds and to authorize increases in salaries, which are necessary.

I may say that most of these employees who have been in this service many years are grossly underpaid.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. JENNINGS. Those employees are necessary in the operation of the packing houses and slaughterhouses all over the country, are they not?

Mr. O'HARA. That is correct, and for the important job of seeing that the right kind of food goes out.

Mr. JENNINGS. And also in aiding those who are raising livestock for the market, so that they can have the aid of veterinarians when their stock gets sick.

Mr. O'HARA. The gentleman has expressed it most succinctly.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. O'HARA. I yield.

Mr. AUGUST H. ANDRESEN. The law also requires that the meat must be inspected by the veterinarians?

Mr. O'HARA. That is right. That is the peculiar situation we are in.

Mr. MANSFIELD of Montana. Will the gentleman yield?

Mr. O'HARA. I yield.

Mr. MANSFIELD of Montana. I want to compliment the gentleman from Minnesota [Mr. O'HARA] for bringing to the attention of the House the real need

for an increase in the pay of veterinarians at this time. It is necessary not only from the viewpoint of animal health but also from the viewpoint of human health.

Mr. O'HARA. I thank the gentleman.

The SPEAKER. The time of the gentleman from Minnesota [Mr. O'HARA] has expired.

[Mr. HOPE addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. TARVER. Mr. Speaker, I yield to the gentleman from Michigan [Mr. CRAWFORD] 3 minutes.

[Mr. CRAWFORD addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present. If we are going to have discussion we ought to have the membership here to know what is going on.

Mr. CANNON of Missouri. I hope the gentleman will withdraw the point of no quorum.

Mr. TABER. I cannot, because the membership should be here and hear both sides of this argument so they will know what is going on when they come to vote. I feel that we must have a quorum here.

The SPEAKER. The Chair hopes the gentleman from New York will withdraw the point of order temporarily, for there are certain matters on the Speaker's desk that should be taken care of.

Mr. TABER. Mr. Speaker, I withhold the point of order temporarily.

Mr. CRAWFORD. Mr. Speaker, I shall be delighted to withhold my argument.

EXTENSION OF EMERGENCY PRICE CONTROL ACT

The SPEAKER. Without objection, the proceedings whereby the bill (H. R. 4941) to extend the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942, and for other purposes, was passed will be vacated and the bill laid on the table.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MURDOCK, for 10 days, on account of official business.

To Mr. FAY, for 5 days, on account of official business.

HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AGRICULTURAL DEPARTMENT APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. TARVER. Mr. Speaker, I ask the gentleman from New York to withdraw his point of no quorum temporarily in

I am not a painted rag, I am America and all that America means. In my silken folds and stripes of white and red runs the blood of brave men living and dead. My stars shine brighter than the morning stars of high heaven, before they start to dim in the rising sun. First fashioned in the dark days of the American Revolution by the skillful hands of Betsy Ross and officially recognized by the resolution of the Continental Congress on June 14, 1777, my natal day has been celebrated each succeeding 14th of June.

Woe to the man or men, nation or group of nations, that seek to tear one thread from my stripes or dim one star in my field. I have been unfurled to the breeze of the war score of times and never furling in defeat and please God never shall be. Wherever I go, the knees of tyranny shall quake, the thrones of the oppressor shall crumble. I am the insignia of the last best hope of the earth. I am the Star Spangled Banner, Old Glory.

Let's Keep the Record Straight

EXTENSION OF REMARKS OF

HON. FRED A. HARTLEY, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1944

Mr. HARTLEY. Mr. Speaker, there has been a lot of talk about "weakening" amendments and "inflationary" amendments to the Emergency Price Control Act.

Some have gone so far as to say that if Congress insists on "emasculating" O. P. A. the Chief Executive will find it necessary not only to veto the amended act but to appeal to the public in an effort to obtain public support of his veto.

It is high time that the American public were given the facts.

Congress wants prices controlled and will insist upon an administration of price control that will insure the American consumer the lowest possible prices.

The so-called Hartley amendment prohibiting O. P. A. from use of the highest price line limitation provision is not inflationary in any sense of the word.

It will not weaken price control. Rather, it will permit the consumer to buy at lower prices.

This amendment leaves O. P. A. completely free to establish ceiling prices in any manner they desire. They may continue to use the present formula for establishing selling prices. Or, if they desire, they may establish dollars-and-cents ceilings or frozen mark-up percentages.

This amendment does not in any way restrict O. P. A. in establishing ceiling prices. They may use any formula they desire, so long as it is generally fair and equitable.

The highest price line limitation does not now, and never did have any bearing on the establishment of selling prices for women's and children's outerwear. All these goods have been priced by use of a pricing chart which is prepared by each retailer in accordance with O. P. A. pricing instructions. O. P. A. is free to require that each merchant continue to use

such a chart. Price control is not interfered with in the slightest degree.

The amendment does, however, require that the O. P. A. permit free competition at or below the ceiling price they have established.

It permits the small stores and the low-priced stores to compete on all goods that are currently available and because such stores customarily operate on low margins, the American housewife will soon again find them able to supply her needs at lower prices than she is now forced to pay speculators, profiteers, or high-priced stores for identical goods.

Congress never intended that O. P. A. have the right to eliminate competition or to tell legitimate businessmen what they could or could not sell. Is it not ridiculous for O. P. A. to stop a dress store from selling dresses and permit a men's shop to sell the identical dress at higher prices—or a furniture store, or a garage?

Is this price control?

This amendment will give the small stores and the low-priced stores the right to sell women's and children's outerwear—dresses, coats, suits, skirts, jackets, slacks, and coveralls at prices lower than O. P. A. now permits the identical garments to be sold for by high-priced establishments and profiteers.

The amendment will bring prices down and lower the cost of living by permitting the low-priced stores to sell for less.

By eliminating or restricting the small stores and the low-priced stores, O. P. A.'s regulations have forced women's and children's wear prices to advance four times as fast as other goods. They have forced quality to deteriorate to a point that it is considered a national scandal. They have forced low-priced merchandise off the market.

The consumer has been forced to patronize high-priced establishments, pay through the nose, or do without.

Again the amendment does not interfere in the slightest degree with O. P. A.'s complete authority to fix and regulate prices.

The inexpensive small stores, and the low-priced larger stores, can make a sizeable contribution toward lowering the cost of living, and this amendment will afford them an opportunity to do so.

It will not permit any merchant to increase the selling price of any article.

It will give the consumer the opportunity to buy for less.

Letter From Secretary Hull to Speaker Rayburn Relative to Congressmen Jarman and Chipfield's Mission to South America

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1944

Mr. LUTHER A. JOHNSON. Mr. Speaker, pursuant to permission granted,

I take pleasure in inserting in the Record a letter from Secretary of State Hull to your distinguished self which is complimentary of my friends, the gentleman from Alabama [Mr. JARMAN] and the gentleman from Illinois [Mr. CHIPERFIELD], two of my colleagues on the Foreign Affairs Committee:

DEPARTMENT OF STATE,
Washington, May 16, 1944.

The Honorable SAM RAYBURN.

Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: I am certain that you and your colleagues in the House of Representatives will be interested in knowing of the reports which I have received from our Embassies in certain of the other American Republics concerning the excellent impression which Congressmen PETE JARMAN and ROBERT BRUCE CHIPERFIELD made in Chile and en route there as the official representatives of the House of Representatives of the United States of America at the ceremonies arranged by the Chilean Chamber of Deputies for the celebration of the "Day of the Americas" on April 14.

Ambassador Bowers in Chile reports that Congressmen JARMAN and CHIPERFIELD made a very favorable impression at Santiago by their cordiality and their natural liking for people. He says that they were overwhelmed with invitations and that their visit did a great deal of good. The Ambassador feels that Messrs. JARMAN and CHIPERFIELD rendered a real service to their country, and that it was most advantageous to the United States to be so well represented at the celebrations.

Ambassador White in Lima reports that the two Congressmen, who stopped in that capital on April 12 on their way to Chile, made an excellent impression upon the Peruvians.

Chargé d'Affaires Muccio at Panama was equally enthusiastic in regard to the two visitors.

The above remarks indicate only too clearly how successfully Messrs. JARMAN and CHIPERFIELD have carried out their mission and leave little for me to add except an expression of my own appreciation, not only for the real contribution they have made toward improving our relations with the other American Republics but also my gratitude for the very cooperative and understanding assistance which you, Mr. Speaker, have rendered in selecting two Members of the House so well qualified to represent you at this inter-American celebration.

Sincerely yours,

CORDELL HULL.

Legislation by Decree

EXTENSION OF REMARKS

OF

HON. J. HARRY MCGREGOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1944

Mr. MCGREGOR. Mr. Speaker, under leave to extend my remarks, I am inserting an editorial appearing in the May 19 issue of the London News Chronicle. This editorial, Legislation by Decree, was sent to me by Capt. William McCulloch, former Speaker of the Ohio House of Representatives, now a member of the armed forces. Mr. Speaker, you will note this editorial deals with a subject, Leg-

islation by Decree, that we in the United States are familiar with, and I am sure will prove interesting:

LEGISLATION BY DECREE

The House of Commons has this week been considering one of the most difficult of the many problems which the circumstances of the war have thrown into relief.

This is the problem of delegated legislation. The war has made necessary an enormous increase in the degree of interference which the Government exercises over people's lives. There is hardly any type of organized activity which is not now subject to control. Hence, to enable the executive to function, ministers have taken power, on an unprecedented scale, to promulgate what are in effect new laws in the form of statutory rules and orders.

This development—which is only novel in that its scale has been intensified—has confronted Parliament with a very awkward dilemma. The House of Commons already has the power to criticize, and even to annul, regulations to which strong exception is taken.

But that device is a clumsy one. Administrative decrees, far-reaching in their scope, may be overlooked altogether. Thus Parliament must either accept the fact that a good deal of legislation is carried through by ministers on their own responsibility, or must risk impeding the Government by continual interference.

This problem will continue after the war. It is hard to imagine any plan of social reconstruction being carried through expeditiously which does not involve the delegation to ministers of very considerable powers.

It is all to the good that this vexed question has now been tackled by the House itself. As a result of this week's debate, the Government is to move the setting up of a permanent committee of the House which will review proposed administrative decrees and will recommend their amendment should they be vague, ill-defined, or unnecessarily comprehensive.

This committee will not, of course, be concerned with the principles underlying the proposed regulations. That is a matter for Parliament itself. The committee's job will be to see that the regulations conform to the powers granted by Parliament.

If this device works well—and there is no reason why it should not—it will be a constitutional development of some importance.

With Victory There Will Be Freedom for Everyone and Glory Enough for All

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1944

Mr. COOLEY. Mr. Speaker, under leave granted to extend my remarks in the Record, I include the address which I delivered at the national memorial services of the Jewish War Veterans of the United States in the magnificent Temple Emanu-El in New York on Sunday afternoon, May 21, 1944.

Following a beautiful and colorful parade down Fifth Avenue, 7,500 persons assembled in the temple for the purpose of honoring the memory of those of Jewish faith who have made their contribu-

tions to the cause and freedom, and I had the honor of delivering the following address:

We meet in this serene and sacred shrine for an exalted and patriotic purpose. We are at this hour motivated by the highest and the holiest impulses that have ever animated the human heart. We gather in a memorial which renders homage to the distinguished dead, who not only stood in the "rockets' red glare" but who laid down their lives on the altars of freedom.

We come not to glorify bloodshed but rather to commemorate the memory of those who have made their grand contribution to the cause of freedom. We come not to beautify the character nor to exalt the life, but rather to commune with the spirit, of those of Jewish faith who have made their lives sublime. We come today to touch again their lives and to feel again the dynamic power of their magnificent presence.

By feeling again the majestic spirit of those of Jewish faith who have suffered and died, in those heroic times when to love the institutions of freedom meant to lay down one's life in the cause of freedom, all Americans may reinvigorate their just devotion to the great principles which they by their lives and labor so well exemplified.

As we recall the glorious aspirations which thrilled the souls of the men who engaged in the terrific combats from the burning fires of which freedom was born and upon the ashes of which a republic was built, we must be ever mindful of the grand contribution which was made by those of Jewish faith to the success of that fight for freedom.

I cannot recapitulate all of the countless contributions which have been made to freedom's cause by those of Jewish faith. They have lived and labored and fought and bled and died on every field of glory, from the dim dawn of civilization to the present hour, and today they are writing their achievements in their own blood, on all of the battle fronts of the universe; they are fighting courageously and they are dying magnificently in the ancient cause to which they have always been devoted; the cause of individual liberty. Their patriotism needs no praise and offers no apology. In peace as well as in the pagantry of war their achievements speak more eloquently than all of the beautiful words which may be spoken in their behalf.

I speak to you not as men and women of Jewish faith, but rather as Americans who love the traditions and institutions of your great Republic. The world may be a temple of tumult and a tower of discord, but America must not be divided. There are those who would divide us according to race and color and creed. Yes, there are those who enjoy the hospitality of this great home of liberty-loving people who would pull down the temple and crush and destroy the institutions which we have here established. We are heirs of the same inheritance and children of the self-same God. We are born in the image of our Maker and in our breasts is a spark of that celestial flame which surrounds His throne. Our immortal souls cry out against evil forces which seek division, disunity, and destruction, but in unity we shall continue to carry the banners of freedom and will "proclaim liberty to all the land and to all of the inhabitants thereof. That is the inscription which is emblazoned on the Liberty Bell; that is the language of the Old Testament and language which was spoken by a man of Jewish faith.

Our teeming and towering cities may at this hour be silhouetted against clouds of conflict, yet they shall continue to stand as monuments in the march of mankind, and the green fields and golden plains of America shall still commune with Nature's God, as our people, with undaunted courage, go forth to defend the ideals and the institu-

tions for which true Americans have always been willing to make the supreme sacrifice.

This thing that we call Americanism is an attribute of the spirit and a quality of the soul. It is an impulse of holiness which inspires a supreme devotion to the grand ideals and the great principles upon which our Republic was founded. It embraces all of the immortal instincts and nobility of purposes which are embodied in the high and holy ethics of civilization. It loves justice and equality. It adores tolerance in the truest sense of that word—yet it means fortitude and courage which cannot be surpassed.

In all of the languages of earth you will not find a word that is more all-embracing nor more comprehensive than the word "Americanism." In it there is love of honor and of heroes, and of home; the love of mother; the love of God and love of country; the love of martyrs who have given their blood on a thousand blood-drenched battlefields, and on a hundred crimson seas, that men might worship at the altars of freedom. In it is love of the pioneers who carved this Nation from the heart of a wilderness and established here a home, an asylum, for the persecuted and oppressed of every land beneath the bending sky, and gave to men and women the right to cherish the sanctuaries of worship and the altars of their God. It is something intangible, yet dynamic and full of force. It despises oppression and hates all battles of conquest.

Though we have lived by such a standard, yet our civilization has come again to the crossroads; one road leads to death and devastation, to oppression and despotism, and the other road leads across the fields of carnage to the citadels of freedom. Though we have lived by such a standard, yet we are today living in a sad and sorry world, a world that is torn and twisted by the agonies of an awful war. Men have been forced to abandon the gentle arts of peace and have turned again to the cruel arts of war.

Today Americans are fighting for a new world—the world of tomorrow—a world born of death and bloodshed, but which will be dedicated to the ethics of a new civilization. The world of tomorrow will be a world of peace but it will be a peace which has been purchased by the precious blood of patriots. Only by thinking of that world of tomorrow and of the future in which we must live shall we be able to influence the destinies of our great Republic and the lives of the people who dwell therein.

I know that I need not tell you of the intriguing schemes and imperialistic ambitions which have caused men and women in other parts of the world to renounce their belief in the soundness of democratic government, and to lose their faith in the ability of people by their own judgment to govern themselves.

I need not tell you that the homes of men are haunted by fear and the lives of men are beshadowed by sorrow, as ruthless, evil, and imperialistic power runs roughshod over the sacred rights and liberties of men and women who once enjoyed the blessings of free government.

This Nation was dedicated to the cause of peace and to the gentle arts which minister to the welfare and progress of mankind. We would heal the heartaches of humanity and we would ease the pains of the troubled hearts of the universe, and with godly faith we would find the perfect light which would lead all mankind to the sacrament of divine love, to the hilltops of human happiness and to universal peace. But evil forces beyond our immediate control have compelled us to engage in a conflict, the consequences of which we cannot yet determine.

Though we still pray for peace, we are engaged at this moment in war—war with all of its agonies—its broken hearts and blighted lives, its toils and its tears, its woes and its

78TH CONGRESS
2^D SESSION

S. 1764

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1944

Ordered to be printed with the amendment of the House of Representatives

AN ACT

To amend the Emergency Price Control Act of 1942, as amended,
and the Stabilization Act of October 2, 1942, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the “Stabilization Extension
4 Act of 1944”.

5 ~~TITLE I—AMENDMENTS TO THE EMERGENCY~~

6 ~~PRICE CONTROL ACT OF 1942~~

7 ~~TERMINATION DATE~~

8 SEC. 101. Section 1 (b) of the Emergency Price
9 Control Act of 1942, as amended, is amended by striking out
10 “June 30, 1944,” and substituting “December 31, 1945”.

1 APPROPRIATION REQUIRED FOR SUBSIDIES

2 SEC. 102. Section 2 (e) of such Act is amended by
3 adding at the end thereof the following new paragraph:

4 “After June 30, 1945, neither the Price Administrator
5 nor the Reconstruction Finance Corporation nor any other
6 Government corporation shall make any subsidy payments;
7 or buy any commodities for the purpose of selling them at a
8 loss and thereby subsidizing directly or indirectly the sale
9 of commodities, unless the money required for such subsidies,
10 or sale at a loss, has been appropriated by Congress for
11 such purpose.”

12 UNAUTHORIZED CONDITIONS OR PENALTIES

13 SEC. 103. Section 2 of such Act is amended by adding
14 at the end thereof the following new subsection:

15 “(k) No agency, department, officer, or employee of the
16 Government, in the payment of sums authorized by this or
17 other Acts of Congress relating to the production or sale of
18 agricultural commodities, or in contracts for the purchase
19 of any such commodities by the Government or any depart-
20 ment or agency thereof, or in any allocation of materials or
21 facilities, or in fixing quotas for the production or sale of
22 any such commodities, shall impose any conditions or pen-
23 alties not authorized by the provisions of the Act or Acts, or
24 lawful regulations issued thereunder, under which such sums
25 are authorized, such contracts are made, materials and

1 facilities allocated, or quotas for the production or sale of
2 any such commodities are imposed. Any person aggrieved
3 by any action of any agency, department, officer, or employee
4 of the Government contrary to the provisions hereof, or by
5 the failure to act of any such agency, department, officer, or
6 employee, may petition the district court of the district in
7 which he resides or has his place of business for an order
8 or a declaratory judgment to determine whether any such
9 action or failure to act is in conformity with the provisions
10 hereof and otherwise lawful; and the court shall have juris-
11 diction to grant appropriate relief. The provisions of the
12 Judicial Code as to monetary amount involved necessary to
13 give jurisdiction to a district court shall not be applicable in
14 any such case."

15 ENFORCEMENT AUTHORIZATION

16 SEC. 104. Section 3 (c) of such Act is amended by
17 striking out "(a) and (b)".

18 EXPENDITURES BY THE ADMINISTRATOR

19 SEC. 105. Section 201 (c) of such Act is amended to
20 read as follows:

21 "(c) The Administrator shall have authority to make
22 such expenditures (including expenditures for personal serv-
23 ices and rent at the seat of government and elsewhere; for
24 lawbooks and books of reference; for paper, printing and
25 binding; and for purchase of commodities in order to obtain

1 information or evidence of violations of price, rent, or
 2 rationing regulations or orders or price schedules) as he
 3 may deem necessary for the administration and enforcement
 4 of this Act. The provisions of section 3709 of the Revised
 5 Statutes shall not apply to the purchase of supplies and
 6 services by the Administrator where the aggregate amount
 7 involved does not exceed \$250."

8 PROTEST PROCEDURE

9 SEC. 106. (a) The first sentence of section 203 (a) of
 10 the Emergency Price Control Act of 1942, as amended, is
 11 amended to read as follows: "Within a period of sixty days
 12 after the issuance of any regulation or order under section 2
 13 (or in the case of a price schedule, within a period of sixty
 14 days after the effective date thereof specified in section 206),
 15 or within a period of sixty days after June 30, 1944, which-
 16 ever is later, any person subject to any provision of such
 17 regulation, order, or price schedule may, in accordance with
 18 regulations to be prescribed by the Administrator, file a
 19 protest specifically setting forth objections to any such pro-
 20 vision and affidavits or other written evidence in support
 21 of such objections."

22 (b) Section 203 (c) of such Act is amended by insert-
 23 ing before the period at the end thereof a colon and the
 24 following: "*Provided, however, That, upon the request of*
 25 *the protestant, any protest filed in accordance with subsec-*

tion (a) of this section after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection".

(c) Section 203 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals,

1 created pursuant to section 204, for relief; and such court
2 shall have jurisdiction by appropriate order to require the
3 Administrator to dispose of such protest within such time
4 as may be fixed by the court. If the Administrator does
5 not act finally within the time fixed by the court, the protest
6 shall be deemed to be denied at the expiration of that period."

7 ~~(d)~~ Section 204 ~~(c)~~ of such Act is amended by in-
8 serting after the third sentence and before the fourth sentence
9 thereof the following:

10 "Two judges shall constitute a quorum of the court and
11 of each division thereof."

12 STAYS IN CRIMINAL PROCEEDINGS; AND SO FORTH

13 SEC. 107. Section 204 of such Act is amended by add-
14 ing at the end thereof the following new subsection:

15 "(e) Within five days after judgment or decree in any
16 proceeding brought pursuant to section 205 for the viola-
17 tion of any provision of any regulation or order issued under
18 section 2 or of any price schedule effective in accordance
19 with the provisions of section 206, the defendant may
20 apply to the district court for leave to file in the Emergency
21 Court of Appeals a complaint against the Administrator
22 setting forth objections to the validity of any provision
23 which the defendant has been found to have violated. The
24 district court shall grant such leave with respect to any
25 objection which it finds is made in good faith and with

1 respect to which it finds there is reasonable and substantial
2 excuse for the defendant's failure to present such objection
3 in a protest filed in accordance with section 203 (a).
4 Upon the filing of a complaint pursuant to and within thirty
5 days from the granting of such leave, the Emergency Court
6 of Appeals shall have jurisdiction to enjoin or set aside in
7 whole or in part the provision of the regulation, order, or
8 price schedule complained of or to dismiss the complaint.
9 The court may authorize the introduction of evidence, either
10 to the Administrator or directly to the court, in accordance
11 with subsection (a) of this section. The provisions of sub-
12 sections (b), (c), and (d) of this section shall be applicable
13 with respect to any proceeding instituted in accordance
14 with this subsection. After judgment in any proceeding
15 brought pursuant to subsection 205, the district court
16 shall stay the execution of its judgment for the viola-
17 tion of any provision of a regulation, order, or price
18 schedule concerning which there is pending a protest
19 properly filed by the defendant in accordance with the
20 provisions of section 203, or any judicial proceeding insti-
21 tuted by the defendant in accordance with the provisions
22 of this section, the stay to continue until the disposition of
23 such protest, or judicial proceeding, and the expiration of
24 the time allowed in this section for the taking of further
25 proceedings with respect thereto. If any provision of a

1 regulation, order, or price schedule is determined to be
2 invalid by judgment of the Emergency Court of Appeals
3 which has become effective in accordance with section 204
4 (b); any proceeding pending in any court shall be dismissed,
5 and any judgment in such proceeding vacated, to the extent
6 that such proceeding or judgment is based upon violation
7 of such provision. Except as provided in this subsection,
8 the pendency of any protest under section 203, or judicial
9 proceeding under this section, shall not be grounds for stay-
10 ing any proceeding brought pursuant to section 205; nor,
11 except as provided in this subsection, shall any retroactive
12 effect be given to any judgment setting aside a provision
13 of a regulation or order issued under section 2 or of a price
14 schedule effective in accordance with the provisions of
15 section 206."

16 SUITS FOR DAMAGES

17 SEC. 108. (a) Subsection (c) of section 205 of such
18 Act is amended to read as follows:

19 "(c) If any person selling a commodity violates a
20 regulation, order, or price schedule prescribing a maximum
21 price or maximum prices, the person who buys such com-
22 modity for use or consumption other than in the course of
23 trade or business may, within one year from the date of
24 the occurrence of the violation except as hereinafter provided,
25 bring an action against the seller on account of the over-

1 charge. In such action, the seller shall be liable for reason-
2 able attorney's fees and costs as determined by the court,
3 plus whichever of the following sums is the greater: (1)
4 Such amount not less than one and one-half times and not
5 more than three times the amount of the overcharge, or
6 the overcharges, upon which the action is based as the
7 court in its discretion may determine, or (2) \$50. For
8 the purposes of this section the payment or receipt of rent
9 for defense-area housing accommodations shall be deemed
10 the buying or selling of a commodity, as the case may
11 be; and the word 'overcharge' shall mean the amount
12 by which the consideration exceeds the applicable
13 maximum price. If any person selling a commodity
14 violates a regulation, order, or price schedule prescrib-
15 ing a maximum price or maximum prices, and the buyer
16 either fails to institute an action under this subsection within
17 thirty days from the date of the occurrence of the violation
18 or is not entitled for any reason to bring the action, the
19 Administrator may institute such action on behalf of the
20 United States within such one year period. If such action
21 is instituted by the Administrator, the buyer shall there-
22 after be barred from bringing an action for the same viola-
23 tion or violations. Any action under this subsection by
24 either the buyer or the Administrator, as the case may be,

1 may be brought in any court of competent jurisdiction. A
2 judgment in an action for damages under this subsection
3 shall be a bar to the recovery under this subsection of any
4 damages in any other action against the same seller on ac-
5 count of sales made to the same purchaser prior to the insti-
6 tution of the action in which such judgment was rendered.
7 Notwithstanding any provision of this Act, the Emergency
8 Price Control Act of 1942, or the amendment thereto of Act,
9 October 2, 1942 (Public Law 729, Seventy-seventh Con-
10 gress), all suits for civil damages shall be brought in the
11 district or county in which the defendant against whom sub-
12 stantial relief is sought resides or has a place of business, or
13 office, or agent."

14 (b) The amendment made by subsection (a), insofar
15 as it relates to actions by buyers or actions which may be
16 brought by the Administrator only after the buyer has failed
17 to institute an action within thirty days from the occurrence
18 of the violation, shall be applicable only with respect to vio-
19 lations occurring after the date of enactment of this Act.
20 In other cases, such amendment shall be applicable with re-
21 spect to proceedings pending on the date of enactment of
22 this Act and with respect to proceedings instituted thereafter.

23 REVIEW OF RATIONING SUSPENSION ORDERS

24 SEC. 109. Section 205 of such Act is amended by add-
25 ing at the end thereof the following new subsections:

1 ~~“(g)~~ The district courts shall have exclusive jurisdiction
 2 to enjoin or set aside, in whole or in part, orders for suspen-
 3 sion of allocations, and orders denying a stay of such sus-
 4 pension, issued by the Administrator pursuant to section 2
 5 ~~(a) (2)~~ of the Act of June 28, 1940, as amended by the
 6 Act of May 31, 1941, and title III of the Second War Pow-
 7 ers Act, 1942, and under authority conferred upon him pur-
 8 suant to section 201 ~~(b)~~ of this Act. Any action to enjoin
 9 or set aside such order shall be brought within five days
 10 after the service thereof. No suspension order shall take
 11 effect within five days after it is served, or, if an application
 12 for a stay is made to the Administrator within such five-day
 13 period, until the expiration of five days after service of an
 14 order denying the stay. No interlocutory relief shall be
 15 granted against the Administrator under this subsection unless
 16 the applicant for such relief shall consent, without prejudice,
 17 to the entry of an order enjoining him from violations of the
 18 regulation or order involved in the suspension proceedings.

19 ~~“(h)~~ It shall be an adequate defense to any suit or
 20 action brought under subsections ~~(b)~~, ~~(c)~~, or ~~(f) (2)~~ of
 21 this section if the defendant proves that the violation of the
 22 regulation, order, or price schedule prescribing a maximum
 23 price or maximum prices was neither willful nor the result
 24 of failure to take practicable precautions against the occur-
 25 rence of the violation.

1 “(i) Nothing in this section shall be construed to de-
2 prive the courts of the power to assess against the defendant
3 the amount of the overcharge.”

4 TITLE II—AMENDMENTS TO THE STABILIZA-
5 TION ACT OF OCTOBER 2, 1942

6 COTTON TEXTILES

7 SEC. 201. Section 3 of the Stabilization Act of October
8 2, 1942, as amended, is amended by adding at the end thereof
9 the following new paragraph:

10 “Any maximum price established or maintained under
11 authority of this Act or otherwise for any textile product
12 processed or manufactured in whole or substantial part from
13 cotton or cotton yarn shall be not less for any specific textile
14 item than the sum of the following: (1) The cost of the
15 cotton or yarn involved, plus the cost of delivery of such
16 cotton or yarn to the point of processing or manufacturing,
17 as determined by the War Food Administrator; (2) a gen-
18 erally fair and equitable allowance for the total current
19 cost of whatever nature incident to processing or manu-
20 facturing and marketing such item, and whenever the Chair-
21 man of the War Production Board or the War Food Admin-
22 istrator has determined such item to be necessary for the
23 war effort or the maintenance of the civilian economy, such
24 allowance shall be computed at a uniform figure that will
25 cover such total current costs in the case of any manufacturer

1 or processor among the manufacturers or processors of at
2 least 90 per centum by volume of such item; and (3) a
3 reasonable profit on such item, in addition to the costs com-
4 puted as provided in clauses (1) and (2). The maximum
5 price established for any textile item under this Act or
6 otherwise shall be adjusted to the extent necessary to con-
7 form with the requirements of this paragraph within sixty
8 days after the date of its enactment. For the pur-
9 poses of this paragraph, the cost of any cotton shall
10 be deemed to be not less than the parity price for such
11 cotton (adjusted for grade, location, and seasonal dif-
12 ferentials); except that for the sixty-day period begin-
13 ning one hundred and twenty days after the date of en-
14 actment of this paragraph, and for each subsequent sixty-
15 day period, if the actual current market value of such
16 cotton at the beginning of such period is lower than such
17 parity price, the cost of such cotton during such sixty-day
18 period shall be deemed to be the actual current market value
19 at the beginning of such period, and whenever a change is
20 made in such cost of cotton a corresponding change shall be
21 made in the maximum price for each specific textile item.
22 The method that is now used for the purposes of loans under
23 section 8 of this Act for determining the parity price or its
24 equivalent for seven-eighths inch Middling cotton at the aver-
25 age location used in fixing the base loan rate for cotton shall

1 also be used for determining the parity price for seven-eighths
2 inch Middling cotton at such average location for the pur-
3 poses of this section; and any adjustments made by the
4 Secretary of Agriculture or the War Food Administrator
5 for grade, location, or seasonal differentials for the purposes
6 of this section shall be made on the basis of the parity price
7 so determined. For the purposes of this paragraph, the terms
8 'textile product' and 'textile item' mean any product or item
9 manufactured or processed in whole or substantial part from
10 cotton or cotton yarn by any manufacturer or processor
11 engaged in the manufacture or processing of such product
12 or article from cotton or cotton yarn. Whenever the maxi-
13 mum price established for any item to which this paragraph
14 is applicable is in excess of a price which in the judgment
15 of the Administrator is generally fair and equitable and is
16 also in excess of the lowest maximum price which could be
17 established therefor in accordance with the foregoing pro-
18 visions of this section, the Administrator may reduce the
19 maximum price for such items to a price which in his
20 judgment will be generally fair and equitable, except that
21 such maximum price shall in no event be reduced to a price
22 lower than the lowest maximum price which could be estab-
23 lished therefor in accordance with the foregoing provisions
24 of this section or be reduced to a price which will impede

1 the effective prosecution of the war or the maintenance of the
2 civilian economy.

3 "Whenever the maximum price established for sales at
4 any subsequent level of manufacture, processing, or distri-
5 bution of any commodity which is constituted in whole or
6 substantial part of any textile item is in excess of a price
7 which in the judgment of the Administrator will provide a
8 generally fair and equitable margin at such level of manu-
9 facture, processing, or distribution, then the Administrator
10 may reduce such maximum price to any price which in the
11 judgment of the Administrator will provide a generally
12 fair and equitable margin at such level."

13 SETTLEMENT OF DISPUTES UNDER RAILWAY LABOR ACT

14 SEC. 202. Section 4 of such Act of October 2, 1942,
15 is amended by adding at the end thereof the following new
16 paragraphs:

17 "No action shall be taken under authority of this Act
18 with respect to an increase in any wages or salaries in any
19 case in which such increase has been agreed upon by the
20 employer and employee and will not result in the payment
21 of wages or salaries at a rate greater than \$27.50 per week.
22 For the purpose of the preceding sentence, if the employee
23 ordinarily works overtime and extra compensation is paid
24 therefor, such extra compensation shall be included in deter-
25 mining the rate of wages or salaries paid.

1 "In any dispute between employees and carriers subject
2 to the Railway Labor Act, as amended, as to changes af-
3 fecting wage or salary payments, the procedures of such Act
4 shall be followed for the purpose of bringing about a settle-
5 ment of such dispute. Any agency provided for by such
6 Act, as a prerequisite to effecting or recommending a settle-
7 ment of any such dispute, shall make a specific finding and
8 certification that the changes proposed by such settlement or
9 recommended settlement are consistent with such standards as
10 may be then in effect, established by or pursuant to law, for
11 the purpose of controlling inflationary tendencies. Where
12 such finding and certification are made by such agency, they
13 shall be conclusive, and it shall be lawful for the employees
14 and carriers, by agreement, to put into effect the changes
15 proposed by the settlement or recommended settlement with
16 respect to which such finding and certification were made."

~~TERMINATION DATE~~

18 SEC. 203. Section 6 of such Act of October 2, 1942,
19 is amended by striking out "June 30, 1944" and substitut-
20 ing "December 31, 1945".

~~LOAN RATE FOR AGRICULTURE COMMODITIES~~

22 SEC. 204. (a) Section 8 (a) (1) of such Act of Octo-
23 ber 2, 1942 (relating to loans upon cotton, corn, wheat, rice,
24 tobacco, and peanuts), is amended by striking out "at rate
25 of 90 per centum of the parity price" and inserting in lieu

1 thereof "at the rate of 95 per centum of the parity price".
 2 The amendment made by this subsection shall be applicable
 3 with respect to crops harvested after December 31, 1943.
 4 In the case of loans made under such section 8 upon any
 5 of the 1944 crop of any commodity before the amendment
 6 made by this subsection takes effect, the Commodity Credit
 7 Corporation is authorized and directed to increase or pro-
 8 vide for increasing the amount of such loans to the amount
 9 of the loans which would have been made if the loan rate
 10 specified in this subsection had been in effect at the time
 11 the loans were made.

12 ~~(b)~~ Section 4 ~~(a)~~ of the Act entitled "An Act to
 13 extend the life and increase the credit resources of the
 14 Commodity Credit Corporation, and for other purposes",
 15 approved July 1, 1941, as amended ~~(relating to supporting~~
 16 ~~the prices of nonbasic agricultural commodities)~~, is amended
 17 by striking out "90 per centum" and inserting in lieu thereof
 18 "95 per centum". The amendment made by this subsection
 19 shall, irrespective of whether or not there is any further
 20 public announcement under such section 4 ~~(a)~~, be appli-
 21 cable with respect to any commodity with respect to which
 22 a public announcement has heretofore been made under
 23 such section 4 ~~(a)~~.

24 SEC. 205. Section 3 of the Act of October 2, 1942

1 (~~Public Law 729, Seventy-seventh Congress~~), is hereby
2 amended by adding a new paragraph to read as follows:

3 ~~“PERISHABLE COMMODITIES~~

4 ~~“Whenever a maximum price is established on any fresh~~
5 ~~fruit or fresh vegetable, including potatoes, adequate allow-~~
6 ~~ances shall be made for hazards of production and market-~~
7 ~~ing of such commodities throughout the crop year, including~~
8 ~~increased costs due to crop losses which have resulted or~~
9 ~~may result from such hazards. If a maximum price has~~
10 ~~been established on any such commodity, the Price Ad-~~
11 ~~ministrator shall take immediate action to review and increase~~
12 ~~such maximum price from time to time by making further~~
13 ~~allowances to the extent necessary to compensate for sub-~~
14 ~~sequent substantial changes in such conditions including sub-~~
15 ~~stantial reductions in merchantable crop yields.”~~

16 *That (a) section 1 (b) of the Emergency Price Control Act*
17 *of 1942, as amended, is amended by striking out “June 30,*
18 *1944” and inserting in lieu thereof “June 30, 1945”.*

19 * *(b) Section 6 of the Stabilization Act of October 2,*
20 *1942, as amended, is amended by striking out “June 30,*
21 *1944” and inserting in lieu thereof “June 30, 1945”.*

22 *SEC. 2. Section 2 of the Emergency Price Control Act*
23 *of 1942, as amended, is amended to read as follow:*

24 *“PRICES, RENTS, AND MARKET AND RENTING PRACTICES*

25 *“SEC. 2. (a) Whenever in the judgment of the Price*

1 Administrator (provided for in section 201) the price or
2 prices of a commodity or commodities have risen or threaten
3 to rise to an extent or in a manner inconsistent with the
4 purposes of this Act, he may by regulation or order estab-
5 lish such maximum price or maximum prices as in his judg-
6 ment will be generally fair and equitable and will effectuate
7 the purposes of this Act. So far as practicable, in establishing
8 any maximum price, the Administrator shall ascertain and
9 give due consideration to the prices prevailing between
10 October 1 and October 15, 1941 (or if, in the case of any
11 commodity, there are no prevailing prices between such
12 dates, or the prevailing prices between such dates are not
13 generally representative because of abnormal or seasonal
14 market conditions or other cause, then to the prices prevail-
15 ing during the nearest two-week period in which, in the
16 judgment of the Administrator, the prices for such com-
17 modity are generally representative), for the commodity or
18 commodities included under such regulation or order, and
19 shall make adjustments for such relevant factors as he may
20 determine and deem to be of general applicability, including
21 the following: Speculative fluctuations, general increases or
22 decreases in costs of production, distribution, and transporta-
23 tion, and general increases or decreases in profits earned by
24 sellers of the commodity or commodities, during and subse-
25 quent to the year ended October 1, 1941: Provided, That

1 no such regulation or order shall contain any provision
2 requiring the determination of costs otherwise than in accord-
3 ance with established accounting methods: Provided further,
4 That this Act shall not be construed or interpreted in such
5 a way as to give the Administrator the right to fix profits
6 where such action has no relation to price control. Every
7 regulation or order issued under the foregoing provisions of
8 this subsection shall be accompanied by a statement of the
9 considerations involved in the issuance of such regulation
10 or order. As used in the foregoing provisions of this sub-
11 section, the term 'regulation or order' means a regulation
12 or order of general applicability and effect. Before issuing
13 any regulation or order under the foregoing provisions of
14 this subsection, the Administrator shall, so far as practicable,
15 advise and consult with representative members of the indus-
16 try which will be affected by such regulation or order, and
17 shall give consideration to their recommendations. In the
18 case of any commodity for which a maximum price has
19 been established, the Administrator shall, at the request of
20 any substantial portion of the industry subject to such maxi-
21 mum price, regulation, or order of the Administrator, ap-
22 point an industry advisory committee, or committees, either
23 national or regional or both, consisting of such number
24 of representatives of the industry as may be necessary in
25 order to constitute a committee truly representative of the

1 industry, or of the industry in such region, as the case may
2 be. The committee shall select a chairman from among
3 its members, and shall meet at the call of the chairman.
4 The Administrator shall from time to time, at the request
5 of the committee, advise and consult with the committee
6 with respect to the regulation or order, and with respect
7 to the form thereof, and classifications, differentiations, and
8 adjustment therein. The committee may make such recom-
9 mendations to the Administrator as it deems advisable, and
10 such recommendations shall be considered by the Administra-
11 tor. Whenever in the judgment of the Administrator such
12 action is necessary or proper in order to effectuate the pur-
13 poses of this Act, he may, without regard to the foregoing
14 provisions of this subsection, issue temporary regulations
15 or orders establishing as a maximum price or maximum
16 prices the price or prices prevailing with respect to any
17 commodity or commodities within five days prior to the
18 date of issuance of such temporary regulations or orders;
19 but any such temporary regulation or order shall be effec-
20 tive for not more than sixty days, and may be replaced
21 by a regulation or order issued under the foregoing provisions
22 of this subsection.

23 “(b) Whenever in the judgment of the Administrator
24 such action is necessary or proper in order to effectuate the
25 purposes of this Act, he shall issue a declaration setting forth

1 the necessity for, and recommendations with reference to, the
2 stabilization or reduction of rents for any defense-area hous-
3 ing accommodations within a particular defense-rental area.
4 If within sixty days after the issuance of any such recom-
5 mendations rents for any such accommodations within such
6 defense-rental area have not in the judgment of the Adminis-
7 trator been stabilized or reduced by State or local regulation,
8 or otherwise, in accordance with the recommendations, the
9 Administrator may by regulation or order establish such
10 maximum rent or maximum rents for such accommodations
11 as in his judgment will be generally fair and equitable and will
12 effectuate the purposes of this Act. So far as practicable, in
13 establishing any maximum rent for any defense-area housing
14 accommodations, the Administrator shall ascertain and give
15 due consideration to the rents prevailing for such accommoda-
16 tions, or comparable accommodations, on or about April 1,
17 1941 (or if, prior or subsequent to April 1, 1941, defense
18 activities shall have resulted or threatened to result in in-
19 creases in rents for housing accommodations in such area in-
20 consistent with the purposes of this Act, then on or about a
21 date (not earlier than April 1, 1940), which in the judg-
22 ment of the Administrator, does not reflect such increases),
23 and he shall make adjustments for such relevant factors as
24 he may determine and deem to be of general applicability
25 in respect of such accommodations, including increases

1 or decreases in property taxes and other costs within such
2 defense-rental area. In designating defense-rental areas,
3 in prescribing regulations and orders establishing maximum
4 rents for such accommodations, and in selecting persons to
5 administer such regulations and orders, the Administrator
6 shall, to such extent as he determines to be practicable, con-
7 sider any recommendations which may be made by State
8 and local officials concerned with housing or rental conditions
9 in any defense-rental area.

10 “(c) Any regulation or order under this section may
11 be established in such form and manner, may contain such
12 classification and differentiations, and may provide for such
13 adjustments and reasonable exceptions, as in the judgment
14 of the Administrator are necessary or proper in order to
15 effectuate the purposes of this Act. The Administrator shall
16 provide for individual adjustments in those classes of cases
17 where the rent on the maximum rent date for any housing
18 accommodations is, due to peculiar circumstances, substan-
19 tially higher or lower than the rents generally prevailing in
20 the defense-rental area for comparable housing accommoda-
21 tions, including those cases in which there has been since
22 the maximum rent date a substantial increase or decrease
23 in property taxes or operating costs, or in which the rent
24 is less than the total costs of operation, or in multiple-unit
25 premises the rent is lower than the maximum rent generally

1 prevailing for comparable housing accommodations in the
2 same premises. Any regulation or order under this section
3 which establishes a maximum price or maximum rent may
4 provide for a maximum price or maximum rent below the
5 price or prices prevailing for the commodity or commodities,
6 or below the rent or rents prevailing for the defense-area
7 housing accommodations, at the time of the issuance of such
8 regulation or order. Whenever the Administrator shall find
9 that the availability of adequate rental housing accommoda-
10 tions and other relevant factors are such as to eliminate
11 speculative, unwarranted, and abnormal increases in rents
12 and to prevent profiteering, and speculative and other dis-
13 ruptive practices resulting from abnormal market conditions
14 caused by congestion, the controls imposed upon rents by
15 authority of this Act shall be forthwith abolished in such
16 areas theretofore designated by the Administrator as defense-
17 rental areas; but whenever in the judgment of the Adminis-
18 trator it is necessary or proper, in order to effectuate the
19 purpose of this Act, to reestablish the regulation of rents in
20 any such defense-rental area, he may forthwith by regulation
21 or order establish maximum rents for housing accommoda-
22 tions in the area in accordance with the standards set forth
23 in this Act.

24 “(d) Whenever in the judgment of the Administrator
25 such action is necessary or proper in order to effectuate the

1 purposes of this Act, he may, by regulation or order, regu-
2 late or prohibit speculative or manipulative practices (includ-
3 ing practices relating to changes in form or quality) or
4 hoarding, in connection with any commodity, and speculative
5 or manipulative practices or renting or leasing practices (in-
6 cluding practices relating to recovery of the possession) in
7 connection with any defense-area housing accommodations,
8 which in his judgment are equivalent to or are likely to
9 result in price or rent increases, as the case may be, incon-
10 sistent with the purposes of this Act.

11 “(e) Whenever the Administrator determines that the
12 maximum necessary production of any commodity is not
13 being obtained or may not be obtained during the ensuing
14 year, he may, on behalf of the United States, without regard
15 to the provisions of law requiring competitive bidding, buy
16 or sell at public or private sale, or store or use, such com-
17 modity in such quantities and in such manner and upon such
18 terms and conditions as he determines to be necessary to
19 obtain the maximum necessary production thereof or other-
20 wise to supply the demand therefor, or make subsidy pay-
21 ments to domestic producers of such commodity in such
22 amounts and in such manner and upon such terms and con-
23 ditions as he determines to be necessary to obtain the max-
24 imum necessary production thereof: Provided, That in the
25 case of any commodity which has heretofore or may here-

1 after be defined as a strategic or critical material by the
2 President pursuant to section 5d of the Reconstruction
3 Finance Corporation Act, as amended, such determinations
4 shall be made by the Federal Loan Administrator, with the
5 approval of the President, and, notwithstanding any other
6 provision of this Act or of any existing law, such commodity
7 may be bought or sold, or stored or used, and such subsidy
8 payments to domestic producers thereof may be paid, only
9 by corporations created or organized pursuant to such sec-
10 tion 5d; except that in the case of the sale of any commodity
11 by any such corporation, the sale price therefor shall not
12 exceed any maximum price established pursuant to subsec-
13 tion (a) of this section which is applicable to such com-
14 modity at the time of sale or delivery, but such sale price
15 may be below such maximum price or below the purchase
16 price of such commodity, and the Administrator may make
17 recommendations with respect to the buying or selling, or
18 storage or use, of any such commodity: Provided, however,
19 That, with the exception of any commodity which prior to
20 the effective date of this amendatory proviso has been defined
21 as a strategic or critical material pursuant to section 5d of
22 the Reconstruction Finance Corporation Act, as amended, no
23 agricultural commodity or commodity manufactured or proc-
24 essed in whole or substantial part from any agricultural
25 commodity intended to be used as food for human consump-

1 tion, shall, for the purposes of this subsection, be defined as
2 a strategic or critical material pursuant to the provisions of
3 said section 5d of the Reconstruction Finance Corporation
4 Act, as amended. In any case in which a commodity is
5 domestically produced, the powers granted to the Adminis-
6 trator by this subsection shall be exercised with respect to
7 importations of such commodity only to the extent that, in
8 the judgment of the Administrator, the domestic production
9 of the commodity is not sufficient to satisfy the demand
10 therefor. Nothing in this section shall be construed to
11 modify, suspend, amend, or supersede any provision of the
12 Tariff Act of 1930, as amended, and nothing in this section,
13 or in any existing law, shall be construed to authorize any
14 sale or other disposition of any agricultural commodity con-
15 trary to the provisions of the Agricultural Adjustment Act
16 of 1938, as amended, or to authorize the Administrator to
17 prohibit trading in any agricultural commodity for future
18 delivery if such trading is subject to the provisions of the
19 Commodity Exchange Act, as amended: Provided further,
20 That from and after the enactment of this Act it shall be
21 unlawful to pay any subsidy to the processor of any product
22 manufactured in whole or substantial part from any agricul-
23 tural commodity, unless such processor shall, before receiving
24 such subsidy payment, submit satisfactory evidence that he has
25 paid to the producers of such agricultural commodity, prices

1 that are not below the price standards established by the Act
2 of October 2, 1942 (Public Law 729, 77th Congress).
3 Nothing in this provision shall be construed to authorize or
4 approve the payment of any subsidy either directly or
5 indirectly which is not authorized by existing law.

6 “(f) No power conferred by this section shall be con-
7 strued to authorize any action contrary to the provisions
8 and purposes of section 3, and no agricultural commodity
9 shall be sold within the United States pursuant to the provi-
10 sions of this section by any governmental agency at a price
11 below the price limitations imposed by section 3 (a) of this
12 Act with respect to such commodity.

13 “(g) Regulations, orders, and requirements under this
14 Act may contain such provisions as the Administrator deems
15 necessary to prevent the circumvention or evasion thereof.

16 “(h) The powers granted in this section shall not be
17 used or made to operate to compel changes in the business
18 practices, cost practices or methods, or means or aids to
19 distribution, established in any industry, or changes in estab-
20 lished rental practices.

21 “(i) No maximum price shall be established for any
22 fishery commodity below the average price of such commodity
23 in the year 1941.

24 “(j) Nothing in this Act shall be construed (1) as
25 authorizing the elimination or any restriction of the use of

1 trade and brand names; (2) as authorizing the Adminis-
2 trator to require the grade labeling of any commodity; (3)
3 as authorizing the Administrator to standardize any com-
4 modity, unless the Administrator shall determine, with re-
5 spect to such standardization, that no practicable alternative
6 exists for securing effective price control with respect to
7 such commodity; or (4) as authorizing any order of the
8 Administrator fixing maximum prices for different kinds,
9 classes, or types of a commodity which are described in
10 terms of specifications or standards, unless such specifications
11 or standards were, prior to such order, in general use in
12 the trade or industry affected, or have previously been
13 promulgated and their use lawfully required by another
14 Government agency.

15 “(k) The Administrator shall, without regard to the limi-
16 tations contained in this Act or the Stabilization Act of 1942,
17 adjust any maximum price or rent to the extent that it may be
18 necessary to correct gross inequities.

19 “(l) Nothing in this Act shall be construed to require any
20 person to sell any commodity or to offer any accommodations
21 for rent, or to require any person to limit his stock of goods
22 or sales to the highest price line offered for sale at any one
23 time, and any rule, regulation, or order inconsistent with the
24 provisions of this subsection shall have no further legal effect.

25 “(m) No maximum price shall be fixed or maintained

1 upon any article of property, of whatsoever character, which
2 is sold by any administrator, executor, trustee, receiver, or
3 other officer of any court, which is sold under the order or
4 decree of such court.

5 “(n) Before any maximum price ceiling is established or
6 lowered, on any agricultural commodity, the Administrator
7 of the Office of Price Administration, or such Federal agency
8 as he may direct, shall give to the growers of the said agri-
9 cultural commodity fifteen days’ notice, by newspaper or
10 otherwise, prior to the normal planting season in the areas
11 affected.

12 “(o) No maximum price shall be established or main-
13 tained under this Act or otherwise, with respect to water-
14 melons.”

15 SEC. 3. (a) Subsection (e) of section 3 of the Emer-
16 gency Price Control Act of 1942, as amended, is amended
17 to read as follows:

18 “(e) Notwithstanding any other provision of this or any
19 other law, no action shall be taken under this Act by the
20 Administrator or any other person with respect to any agri-
21 cultural commodity without the prior approval of the Secre-
22 tary of Agriculture; except that the Administrator may take
23 such action as may be necessary under section 202 and sec-
24 tion 205 to enforce compliance with any regulation, order,
25 price schedule or other requirement with respect to an agri-

1 *cultural commodity which has been previously approved by*
2 *the Secretary of Agriculture.”*

3 *(b) Section 3 of the Emergency Price Control Act of*
4 *1942, as amended, is amended by adding at the end thereof*
5 *the following new subsection:*

6 *“(g) Whenever a maximum price has been established,*
7 *under this Act or otherwise, with respect to any fresh fruit*
8 *or fresh vegetable, the Administrator from time to time shall*
9 *adjust such maximum price in order to make appropriate*
10 *allowances for substantial reductions in merchantable crop*
11 *yields, unusual increases in costs of production, and other*
12 *factors which result from hazards occurring in connection*
13 *with the production and marketing of such commodity.”*

14 *SEC. 4. Section 201 of the Emergency Price Control*
15 *Act of 1942, as amended, is amended by adding at the end*
16 *thereof the following new subsection:*

17 *“(e) All agencies, offices, or officers of the Government*
18 *exercising supervisory or policy-making powers over the*
19 *Office of Price Administration, War Food Administration*
20 *or War Production Board, whether such powers are dele-*
21 *gated to such agency, office, or officer by this or any other*
22 *Act or by Executive order, shall exercise such powers only*
23 *through formal written orders, or regulations which shall be*
24 *promptly published in the Federal Register, but shall not*
25 *otherwise be subject to the provisions of the Federal Register*

1 *Act: Provided, That no order or regulation shall be pub-*
2 *lished in accordance with the requirements of this subsection*
3 *containing information which, for reasons of military secu-*
4 *rity, it is not in the public interest to divulge."*

5 *SEC. 5. (a) Amend section 202 of the Emergency Price*
6 *Control Act of 1942, as amended, by inserting after the word*
7 *"investigations" in section 202 (a) a comma and the words*
8 *"to conduct such hearings," making subsection (a) read as*
9 *follows:*

10 *"SEC. 202. (a) The Administrator is authorized to*
11 *make such studies and investigations, to conduct such hear-*
12 *ings and to obtain such information as he deems necessary or*
13 *proper to assist him in prescribing any regulation or order*
14 *under this Act, or in the administration and enforcement of*
15 *this Act and regulations, orders, and price schedules there-*
16 *under."*

17 *(b) Amend section 202 of the Emergency Price Control*
18 *Act of 1942, as amended, by adding a new subsection (i) to*
19 *read as follows:*

20 *"(i) Any person subpoenaed under this section shall have*
21 *the right to be represented by counsel and to make a record*
22 *of such study, hearing, and investigation in which he may*
23 *be called upon to testify; and, upon his request, such study,*
24 *hearing, and investigation, shall be public."*

1 *SEC. 6. Section 203 of the Emergency Price Control*
2 *Act of 1942, as amended, is amended to read as follows:*

3 *“PROCEDURE*

4 *“SEC. 203. (a) At any time after the issuance of any*
5 *regulation or order under section 2, or in the case of a price*
6 *schedule, at any time after the effective date thereof specified*
7 *in section 206, any person subject to any provision of such*
8 *regulation, order, or price schedule may, in accordance with*
9 *regulations to be prescribed by the Administrator, file a*
10 *protest specifically setting forth objections to any such pro-*
11 *vision and affidavits or other written evidence in support of*
12 *such objections. Statements in support of any such regula-*
13 *tion, order, or price schedule may be received and incor-*
14 *porated in the transcript of the proceedings at such times*
15 *and in accordance with such regulations as may be prescribed*
16 *by the Administrator. Within a reasonable time after the*
17 *filing of any protest under this subsection, but in no event*
18 *more than thirty days after such filing, the Administrator*
19 *shall either grant or deny such protest in whole or in part,*
20 *notice such protest for hearing, or provide an opportunity to*
21 *present further evidence in connection therewith. In the*
22 *event that the Administrator denies any such protest in*
23 *whole or in part, he shall inform the protestant of the grounds*
24 *upon which such decision is based, and of any economic data*

1 and other facts of which the Administrator has taken official
2 notice.

3 “(b) In the administration of this Act the Administrator
4 may take official notice of economic data and other facts,
5 including facts found by him as a result of action taken
6 under section 202.

7 “(c) Any proceedings under this section may be limited
8 by the Administrator to the filing of affidavits, or other
9 written evidence, and the filing of briefs: Provided, however,
10 That, upon the request of the protestant, any protest filed in
11 accordance with subsection (a) of this section, within thirty
12 days from the effective date of this amendatory proviso, shall,
13 before denial in whole or in part, be considered by a board
14 of review consisting of one or more officers or employees of
15 the Office of Price Administration designated by the Adminis-
16 trator in accordance with regulations to be promulgated by
17 him. Such regulations shall provide that the Board of
18 Review may conduct hearings and hold sessions in the Dis-
19 trict of Columbia or any other place, as a board, or by sub-
20 committees thereof, and shall provide that, upon the request of
21 the protestants, subpoenas shall issue for the appearance of
22 persons, and the production of documents, or both. The
23 Administrator shall cause to be presented to the board such
24 evidence, including economic data, in the form of affidavits
25 or otherwise, as he deems appropriate in support of the

1 provision against which the protest is filed. The protestant
2 shall be accorded an opportunity to present rebuttal evidence
3 in writing and oral argument before the board and the board
4 shall make written recommendations to the Price Adminis-
5 trator. The protestant shall be informed of the recommenda-
6 tions of the board and, in the event that the Administrator
7 rejects such recommendations in whole or in part, shall be
8 informed of the reasons for such rejection.

9 “(d) Any protest filed under this section shall be granted
10 or denied by the Administrator, or granted in part and the
11 remainder of it denied, within a reasonable time after it is
12 filed. Any protestant who is aggrieved by undue delay
13 on the part of the Administrator in disposing of his protest
14 may petition the Emergency Court of Appeals, created pur-
15 suant to section 240, for relief; and such court shall have
16 jurisdiction by appropriate order to require the Admin-
17 istrator to dispose of such protest within such time as may
18 be fixed by the court. If the Administrator does not act
19 finally within the time fixed by the court, the protest shall be
20 deemed to be denied at the expiration of that period.”

21 SEC. 7. The first sentence of section 204 (a) of the
22 Emergency Price Control Act of 1942, as amended, is
23 amended to read as follows: “Any person who is aggrieved
24 by the denial or partial denial of his protest may, within
25 thirty days after such denial, file a complaint with the Emer-

1 *gency Court of Appeals, created pursuant to subsection (c),*
2 *or with the appropriate district court, specifying his objec-*
3 *tions and praying that the regulation, order, or price schedule*
4 *protested be enjoined or set aside in whole or in part."*

5 *(b) The fourth sentence of section 204 (c) of such Act,*
6 *as amended, is amended to read as follows: "The court shall*
7 *have the powers of a district court with respect to the juris-*
8 *diction conferred on it by this Act."*

9 *(c) The first two sentences of section 204 (d) of such*
10 *Act, as amended, are amended to read as follows: "Within*
11 *thirty days after entry of a judgment or order, interlocutory*
12 *or final, by the district court provided for in subsection (a)*
13 *or the Emergency Court of Appeals, a petition for a writ of*
14 *certiorari may be filed in the Supreme Court of the United*
15 *States, and thereupon the judgment or order shall be subject*
16 *to review by the Supreme Court in the same manner as a*
17 *judgment of a circuit court of appeals as provided in section*
18 *240 of the Judicial Code, as amended (U. S. C., 1940 edi-*
19 *tion, title 28, sec. 347). The Supreme Court shall advance*
20 *on the docket and expedite the disposition of all causes filed*
21 *therein pursuant to this subsection. The district court pro-*
22 *vided for in subsection (a), the Emergency Court of Appeals,*
23 *the appropriate circuit court of appeals upon review of judg-*
24 *ments and orders of such district court, and the Supreme*
25 *Court upon review of judgments and orders of the Emergency*

1 *Court of Appeals and of such district court or circuit court of*
 2 *appeals, shall have exclusive jurisdiction to determine the*
 3 *validity of any regulation or order issued under section 2, of*
 4 *any price schedule effective in accordance with the provi-*
 5 *sions of section 206, and of any provision of any such*
 6 *regulation, order, or price schedule."*

7 *SEC. 8. (a) Subsection (c) of section 204 of the Emer-*
 8 *gency Price Control Act of 1942, as amended, is amended*
 9 *by inserting immediately after the third sentence thereof a new*
 10 *sentence as follows: "Two judges shall constitute a quorum*
 11 *of the court and of each division thereof."*

12 *(b) Section 204 of the Emergency Price Control Act*
 13 *of 1942, as amended, is amended by adding at the end thereof*
 14 *the following new subsection:*

15 *"(e) (1) At any time prior to or within five days after*
 16 *judgment in any proceeding brought pursuant to section 205*
 17 *involving alleged violation of any provision of any regula-*
 18 *tion or order issued under section 2 or of any price schedule*
 19 *effective in accordance with the provisions of section 206, the*
 20 *defendant may apply to the court in which the proceeding*
 21 *is pending for leave to file in the Emergency Court of Appeals*
 22 *a complaint against the Administrator setting forth objections*
 23 *to the validity of any provision which the defendant is alleged*
 24 *to have violated. The court in which the proceeding is pend-*
 25 *ing shall grant such leave with respect to any objection which*

1 *it finds is made in good faith and with respect to which it*
2 *finds there is reasonable and substantial excuse for the de-*
3 *fendant's failure to present such objection in a protest filed*
4 *in accordance with section 203 (a). Upon the filing of a*
5 *complaint pursuant to the granting of such leave, the Emer-*
6 *gency Court of Appeals shall have jurisdiction to enjoin or*
7 *set aside in whole or in part the provision of the regulation,*
8 *order, or price schedule complained of or to dismiss the*
9 *complaint. The court may authorize the introduction of*
10 *evidence, either to the Administrator or directly to the court,*
11 *in accordance with subsection (a) of this section. The pro-*
12 *visions of subsections (b), (c), and (d) of this section shall*
13 *be applicable with respect to any proceeding instituted in*
14 *accordance with this subsection.*

15 “(2) *In any proceeding brought pursuant to section 205*
16 *involving an alleged violation of any provision of any such*
17 *regulation, order or price schedule, the court shall stay the*
18 *proceeding—*

19 “(i) *during the period within which a complaint*
20 *may be filed in the Emergency Court of Appeals pur-*
21 *suant to leave granted under paragraph (1) of this sub-*
22 *section with respect to such provision;*

23 “(ii) *during the pendency of any protest properly*
24 *filed by the defendant under section 203 prior to the*
25 *institution of the proceeding under section 205, setting*

1 *forth objections to the validity of such provision which*
2 *the court finds to have been made in good faith; and*

3 *“(iii) during the pendency of any judicial proceed-*
4 *ing instituted by the defendant under this section with*
5 *respect to such protest or instituted by the defendant*
6 *under paragraph (1) of this subsection with respect*
7 *to such provision, and until the expiration of the time*
8 *allowed in this section for the taking of further proceed-*
9 *ings with respect thereto.*

10 *Notwithstanding the provisions of this paragraph, in the case*
11 *of a proceeding under section 205 (a) the court granting*
12 *a stay under this paragraph may issue a temporary injunc-*
13 *tion or restraining order enjoining or restraining, during*
14 *the period of the stay, violations by the defendant of the pro-*
15 *vision of the regulation, order, or price schedule involved. If*
16 *any provision of a regulation, order, or price schedule is*
17 *determined to be invalid by judgment of the Emergency*
18 *Court of Appeals which has become effective in accordance*
19 *with section 204 (b), any proceeding pending in any court*
20 *shall be dismissed, and any judgment in such proceeding*
21 *vacated, to the extent that such proceeding or judgment is*
22 *based upon violation of such provision. Except as provided*
23 *in this subsection, the pendency of any protest under section*
24 *203, or judicial proceeding under this section, shall not be*

1 grounds for staying any proceeding brought pursuant to
2 section 205."

3 SEC. 9. (a) Subsection (e) of section 205 of the Emer-
4 gency Price Control Act of 1942, as amended, is amended
5 to read as follows:

6 "(e) If any person selling a commodity violates a
7 regulation, order, or price schedule prescribing a maximum
8 price or maximum prices, the person who buys such com-
9 modity for use or consumption other than in the course of
10 trade or business may, within one year from the date of the
11 occurrence of the violation, except as hereinafter provided,
12 bring an action against the seller on account of the over-
13 charge. In such action, the seller shall be liable for reason-
14 able attorney's fees and costs as determined by the court,
15 plus whichever of the following sums is the greater: (1) Such
16 amount not more than \$50 or treble the amount of the over-
17 charge or the overcharges whichever is greater, upon which
18 the action is based as the court in its discretion may determine,
19 or (2) \$50. For the purposes of this section the payment
20 or receipt of rent for defense-area housing accommodations
21 shall be deemed the buying or selling of a commodity, as the
22 case may be; and the word 'overcharge' shall mean the amount
23 by which the consideration exceeds the applicable maximum
24 price. If any person selling a commodity violates a regu-
25 lation, order, or price schedule prescribing a maximum price

1 or maximum prices, and the buyer either fails to institute
2 an action under this subsection within thirty days from the
3 date of the occurrence of the violation or is not entitled for
4 any reason to bring the action, the Administrator may insti-
5 tute such action on behalf of the United States within such one
6 year period. If such action is instituted by the Adminis-
7 trator, the buyer shall thereafter be barred from bringing an
8 action for the same violation or violations. Any action under
9 this subsection by either the buyer or the Administrator, as
10 the case may be, may be brought in any court of competent
11 jurisdiction. A judgment in an action for damages under
12 this subsection shall be a bar to the recovery under this sub-
13 section of any damages in any other action against the same
14 seller on account of sales made to the same purchaser prior
15 to the institution of the action in which such judgment was
16 rendered."

17 (b) The amendment made by subsection (a), insofar
18 as it relates to actions by buyers or actions which may be
19 brought by the Administrator only after the buyer has failed
20 to institute an action within thirty days from the occurrence
21 of the violation, shall be applicable only with respect to vio-
22 lations occurring after the date of enactment of this Act.
23 In other cases, such amendment shall be applicable with re-
24 spect to proceedings pending on the date of enactment of
25 this Act and with respect to proceedings instituted thereafter.

1 (c) Subsection (f) of section 205 of the Emergency
2 Price Control Act of 1942 is amended by striking out the
3 period at the end thereof, inserting a colon and the follow-
4 ing: "Provided, That, notwithstanding the provisions of
5 section 301 of the Second War Powers Act, 1942, or any
6 other law, no such license shall be suspended in any other
7 manner, for any other cause, or for a longer period of time,
8 than provided in this subsection, and no regulation, order,
9 license, or requirement heretofore or hereafter issued or pre-
10 scribed pursuant to any provision of law other than the
11 provisions of this Act or of the Stabilization Act of October
12 2, 1942, may validly contain any requirement as to the
13 observance of any regulation, order, license, or requirement
14 issued or prescribed pursuant to this Act or under the Sta-
15 bilization Act of October 2, 1942."

16 (d) Section 205 of the Emergency Price Control Act of
17 1942 is further amended by adding the following new sub-
18 sections:

19 "(g) It shall be an adequate defense to any suit or
20 action brought under subsections (b), (e), or (f) (2) of
21 this section if the defendant proves that the violation of the
22 regulation, order, or price schedule prescribing a maximum
23 price or maximum prices was neither willful nor the result
24 of failure to take practicable precautions against the occur-
25 rence of the violation.

1 “(h) Nothing in this section shall be construed to deprive
2 the courts of the power to assess against the defendant the
3 amount of the overcharge.”

4 SEC. 10. The second sentence of the first section of the
5 Stabilization Act of October 2, 1942, as amended, is amended
6 to read as follows: “The President shall, except as other-
7 wise provided in this Act, thereafter provide for making
8 adjustments with respect to prices, wages, and salaries, to
9 the extent that he finds necessary to aid in the effective prose-
10 cution of the war or to correct gross inequities: Provided,
11 That no common carrier or other public utility shall make
12 any general increase in its rates or charges which were in
13 effect on September 15, 1942, unless it first gives thirty days’
14 notice to the President, or such agency as he may designate,
15 and consents to the timely intervention by such agency before
16 the Federal, State, or municipal authority having jurisdiction
17 to consider such increase.”

18 SEC. 11. The first proviso contained in section 3 of such
19 Act of October 2, 1942, as amended, is amended to read as
20 follows: “Provided, That the President shall, without regard
21 to the limitation contained in clause (2), adjust any such
22 maximum price to the extent that he finds necessary to correct
23 gross inequities; but nothing in this section shall be construed
24 to permit the establishment in any case of a maximum price
25 below a price which will reflect to the producers of any agri-

1 cultural commodity the price therefor specified in clause (1)
2 of this section.”.

3 *SEC. 12. Section 3 of an Act to amend the Emergency*
4 *Price Control Act of 1942, to aid in preventing inflation,*
5 *and for other purposes, approved October 2, 1942, is*
6 *amended by adding just before the first proviso in said*
7 *section 3 the following: “Provided, That the maximum price*
8 *so established may be charged or collected by the processor*
9 *or manufacturer only when the producer of the agricultural*
10 *commodity has received, as to any agricultural commodity*
11 *acquired by the processor or manufacturer subsequent to thirty*
12 *days after the effective date of this amendment, approximately*
13 *the higher of the prices specified in clauses (1) and (2) of*
14 *this section, and upon failure of the processor or manufac-*
15 *turer to submit satisfactory proof thereof such processor or*
16 *manufacturer may charge and collect not more than 90 per*
17 *centum of the maximum price so established:”.*

18 *SEC. 13. Section 4 of such Act of October 2, 1942,*
19 *as amended, is amended by adding at the end thereof the*
20 *following new paragraph:*

21 *“In any dispute between employees and carriers subject*
22 *to the Railway Labor Act, as amended, as to changes af-*
23 *fecting wage or salary payments, the procedures of such Act*
24 *shall be followed for the purpose of bringing about a settle-*
25 *ment of such dispute. Any agency provided for by such*

1 Act, as a prerequisite to effecting or recommending a settle-
2 ment of any such dispute, shall make a specific finding and
3 certification that the changes proposed by such settlement or
4 recommended settlement are consistent with such standards as
5 may be then in effect, established by or pursuant to law, for
6 the purpose of controlling inflationary tendencies. Where
7 such finding and certification are made by such agency, they
8 shall be conclusive, and it shall be lawful for the employees
9 and carriers, by agreement, to put into effect the changes
10 proposed by the settlement or recommended settlement with
11 respect to which such finding and certification were made.”

12 SEC. 14. Such Act of October 2, 1942, as amended, is
13 amended by inserting at the end thereof the following new
14 section:

15 “SEC. 12. The Committee on Banking and Currency
16 of the Senate and the Committee on Banking and Currency
17 of the House of Representatives, respectively, are author-
18 ized to conduct investigations as to the effectiveness of the
19 stabilization activities carried on pursuant to this Act, the
20 Emergency Price Control Act of 1942, or otherwise, and
21 as to the effect of such activities upon industry, production,
22 renting and housing, and distribution. For such purposes,
23 either such Committee, acting as a whole or by subcommittee,
24 may sit and act at such times, whether or not the Senate
25 or House is sitting, has recessed, or has adjourned, hold such

1 *hearings, require by subpoena, or otherwise, the attendance of*
 2 *such witnesses and the production of such books, papers, and*
 3 *documents, and take such testimony, as it deems necessary.*
 4 *Subpena may be issued under the signature of the chairman*
 5 *of either such Committee or of any member designated by*
 6 *him, and may be served by any person designated by such*
 7 *chairman or member. Such Committees, respectively, shall*
 8 *report from time to time to the Senate and House of Repre-*
 9 *sentatives the results of such investigations, together with*
 10 *such recommendations as such Committee deem advisable."*

11 *SEC. 15. Such Act of October 2, 1942, as amended, is*
 12 *amended by inserting after the section added thereto by the*
 13 *foregoing section of this Act, a new section as follows:*

14 *"SEC. 13. This Act may be cited as the 'Stabilization*
 15 *Act of 1942'."*

Passed the Senate June 9, (legislative day, May 9).
 1944.

Attest:

EDWIN A. HALSEY,

Secretary.

Passed the House of Representatives with an amend-
 ment June 14, 1944.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1944

Ordered to be printed with the amendment of the
House of Representatives

financed through the issuance and sale of revenue bonds payable from toll charges and the sale of power, with no cost to the taxpayers.

Sincerely yours,

JESSE H. JONES,
Secretary of Commerce.

HON. J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors, House of Representatives, Washington, D. C.

FOREIGN PETROLEUM CONTRACTS— STATEMENT BY SPECIAL COMMITTEE TO INVESTIGATE PETROLEUM RE- SOURCES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of the release issued yesterday by the Senate Special Committee to Investigate Petroleum Resources.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Senate Committee on Petroleum Resources has received satisfactory assurances that no contracts on foreign petroleum matters, such as the proposed trans-Arabian pipe line, will be made by the Petroleum Reserves Corporation without timely notice to the committee. Accordingly, the committee yesterday voted unanimously to defer public hearings pending the further conferences on petroleum between the Governments of the United States and the United Kingdom.

The decision to postpone public hearings was reached after consultation with representatives of all of the executive departments concerned.

The committee will continue its studies relating to recommendations for a national petroleum policy and has been assured that it will be kept fully advised by the executive departments on developments in foreign oil matters.

THE POLISH PRIME MINISTER

Mr. MEAD. Mr. President, we have been recently honored by a visit to the United States and to the Capital at Washington by the Polish Prime Minister. I wish to say that he has made a very favorable impression on us all. He is an energetic, young, and capable spokesman of a brave people. The comment of the press has been highly complimentary. I hope that he will be successful in his efforts to bring about a satisfactory settlement of his nation's problems.

In this connection, Mr. President, I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks, an editorial entitled "The Polish Prime Minister," from the New York Times of June 11, 1944, and an editorial entitled "Russia and Poland" from the Washington Star of June 6, 1944.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of June 11, 1944]

THE POLISH PRIME MINISTER

Stanislaw Mikolajczyk, Prime Minister of the Polish Government-in-exile, has arrived in Washington at President Roosevelt's invitation, with the knowledge of the British and Russian Governments. He is welcome, not only as the representative of his country, but because much of his career is what we have almost come to believe peculiarly American. He was born in Westphalia, whither his father had gone to work in a coal mine. He

went back to his native Province as a boy, where later he studied in an agricultural college and a folk university. At 16 he went to work in a sugar refinery. So early he became active in societies of Polish young men declaring for a rising against Germany. At 18 he was fighting the Germans.

He showed a strong talent for organization in local and county affairs and especially in the right wing of the Peasant Party. He became one of its deputy leaders and a member of Parliament. In the Polish National Council, formed to take the place of that parliament, he was Paderewski's deputy vice chairman. After his chief's death he succeeded to that office, the Council having moved to London. In 1941 he became Deputy Prime Minister and Minister of Interior in Sikorski's cabinet. Upon General Sikorski's death he took his present post. His relations with the Polish underground have been of the closest.

His cabinet is a coalition of representatives of the Peasant Party, Socialists, Christian Democrats, Nationalists and three members with no political labels. Since there has long been more or less harsh talk about the Polish "oligarchs," it may be instructive to look at Mr. Mikolajczyk's cabinet. Two members are small farmers, two labor men, three newspapermen. There is one lawyer, one soldier, one diplomat. The lawyer used to be counsel for labor unions. Of the three newspaper members one is a Catholic priest who has been a worker for the underground, one is a son of an unskilled laborer, one a son of a small storekeeper. These biographies will compare well with those of Congressmen in the Congressional Directory. Without any question of politics or policies Americans can see in the visiting Prime Minister a practicing Democrat. And he isn't one of those "wicked old men"; he will be 43 in July.

[From the Washington Star of June 6, 1944]

RUSSIA AND POLAND

The Polish Premier's arrival in Washington to talk with President Roosevelt at this particular time suggests the heartening possibility that the gulf between Moscow and the Government-in-exile in London may yet be bridged, or at least that some temporary understanding may be reached to hold differences in abeyance until the common enemy is driven from Poland.

It seems improbable, at any rate, that the President would have invited Premier Mikolajczyk to come here, or that the latter would have taken the trip, unless both had some reason to believe that by an exchange of views they could improve the present unfortunate situation. In his last address to the House of Commons, Prime Minister Churchill said it was his impression that things are not so bad as they may appear on the surface between Russia and Poland, and Mr. Mikolajczyk's visit—a diplomatic development of first importance—certainly tends to add weight to this cautious optimism.

The Russo-Polish dispute is not something that lends itself to any easy, off-the-cuff judgments. It involves, in the first place, the question of where Poland's eastern boundary should be—a territorial problem full of many complex historical and ethnographical factors. And in the second place, it involves the make-up of the present government in exile. Moscow has repeatedly charged that that government contains certain elements so hostile to the Soviet Union that friendly diplomatic relations are not possible. Many prominent Poles, on the other hand, in addition to objecting to Russia's territorial claims, have voiced the fear that Premier Stalin is seeking to establish a subservient Polish regime.

Up to now the Russians and Poles have obviously been wanting in mutual trust and

confidence, but serious and deep as their differences may be, it would be sheer political defeatism to assume that an honest and just settlement between them—with or without the government in exile, as now constituted—is impossible. We must assume otherwise. We must assume that by a fair give and take on each side, both parties should be able to arrive at a working agreement. If we cannot assume this, then the outlook for a sound European peace is not very encouraging. For Poland it is a test case, and upon the way in which it is handled depends not only such immediate military matters as the Polish underground's cooperation with the Red Army but also the all-important, long-term task of equitably relating small powers to big in a genuine system of collective security.

The British Government has spent months trying, without success, to mediate this dispute, and Moscow sometime ago politely rejected Washington's tender of good offices in it. Nevertheless, as Mr. Churchill has intimated and as the projected talks between President Roosevelt and the Polish Premier seem to indicate, the door still is not completely shut to a settlement. At least we must hope so, for no political event could better strengthen the cause of the United Nations than a mutually satisfactory understanding between Poland and its great and powerful neighbor.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Mr. WAGNER. I move that the Senate disagree to the amendment of the House, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. MALONEY, Mr. TOBEY, Mr. DANAHY, and Mr. TAFT conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 35, 57, and 65 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House still further insisted upon its disagreement to the amendments of the Senate numbered 64 and 66 to the bill.

APPROPRIATIONS FOR DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the

consideration of House bill 4899, making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHITE. Mr. President, I should like to ask the Senator from Tennessee a question. Is the Senator in position to make a statement with reference to the present status of appropriation bills; that is, what bills have not reached the Appropriations Committee, and what bills have passed both Houses of Congress and are still in conference, in order that we may have an over-all picture of the mass of work which confronts us before taking a recess or an adjournment?

Mr. McKELLAR. I shall be very glad to do so.

As every Senator knows, there are 14 great appropriation bills. Two, only have become law. Twelve of them still remain to be enacted into law. The first bill not finally passed is the independent offices bill for 1945. The last conference report concerning that bill was completed yesterday, and it was agreed to by the House this morning. It will be presented to the Senate, I hope, within a few minutes. I have been assured that it will be presented today. I shall ask unanimous consent to have it agreed to by the Senate. That will make a third bill disposed of.

The Navy appropriation bill has reached its final stage in the House, and the report has been made to the Senate. As soon as the Senator from Louisiana [Mr. Overton] comes into the Chamber, I shall ask him to call up the conference report, and when it has been disposed of four bills out of the total number of 14 will be out of the way.

There are several other bills remaining to be disposed of. The war civil functions bill has passed both bodies of Congress and has been sent to conference. We hope to have it out of the way within a day or two.

The State, Justice, and Commerce bill is in slightly better condition, and we hope to have it disposed of and sent to the President for his signature by tomorrow.

The legislative and judiciary bill is still in conference and we hope to dispose of it within a day or two. The conference report was adopted in the House yesterday, but there are some amendments remaining which are still in controversy, and they may take 2 or 3 days to dispose of. I hope it will not take so long, but it may take that long.

The Department of Agriculture appropriation bill is in conference.

The Interior Department bill is in conference, but the conferees have not as yet met. It will take possibly several days before that bill can be disposed of.

The District of Columbia appropriation bill is next to the furthest behind. That is because of the illness of the chairman of the subcommittee, but he is now very busily engaged in putting the bill in shape so that it may be reported to the Senate today if possible. I hope very much that it may be reported this week. That bill, however, is considerably behind.

The war agencies bill has been reported to the Senate, and will be taken up either today or tomorrow.

Mr. REED. Mr. President, will the Senator from Tennessee permit me to interrupt him?

Mr. McKELLAR. Certainly.

Mr. REED. May I inquire if the distinguished Senator from Tennessee is aware that the political party to which Members on this side of the aisle belong is to hold a convention in Chicago beginning the week of June 26? What suggestions has the Senator from Tennessee to make as to how we are going to have all this business completed in time to enable us to perform our duties to the public and to the party?

Mr. McKELLAR. I am very happy to say to the Senator and to the Senate that as the Senator knows, the Appropriations Committee is doing everything humanly possible to have the necessary appropriation bills passed. I may say to the Senator that yesterday I agreed to some amendments to which I was thoroughly opposed, and I did so largely because I hoped we could finish all the appropriation bills in time for Senators on the other side of the aisle to attend the Republican convention. I think we should be able to have these bills passed unless something happens to prevent their prompt passage.

As I have said, the District of Columbia appropriation bill is behind. The war agencies bill will be taken up not later than tomorrow, under any circumstances, and possibly this afternoon.

Mr. REED. I can add my testimony to that of the Senator from Tennessee that the Appropriations Committee is diligent in its efforts to prepare the appropriation bills and have them acted upon by the Senate. I happen to be a member of that committee.

Mr. McKELLAR. We are doing everything humanly possible to have the bills reported and acted upon.

I wish to say that the Labor and Federal Security Agency bill is now before the Senate, and will pass today. I think that will be easily taken care of.

The Military Establishment bill, which is the largest of all the appropriation bills, is in the process of being acted upon in the other House at this time. Whether they will pass it and send it over to the Senate today or tomorrow, I do not know, for it is an enormous bill, and there is much work to be done in connection with it. The Senator from Oklahoma [Mr. Thomas], who has charge of that bill, will have it taken up immediately when

it is ready for consideration, and it will be acted upon just as soon as possible. There is, however, a world of work about that bill.

It is going to take the efforts not only of all Senators who are members of the Appropriations Committee but of all other Senators who are interested, in order to have all the appropriation bills passed by Saturday week. As we all know, it is necessary to pass them by that time, in order that the Republican Senators may attend the convention of their party. I wish to say that, so far as I am concerned, I shall do everything within my power to facilitate the passage of the appropriation bills, and have already done so, as I think the Senator from Kansas and the Senator from Maine both will testify.

The lend-lease appropriation bill has been passed, as we know, and is now in the other House. I see no particular reason why there should be a hold-up on any of these bills, and, so, unless something unforeseen happens, we can get through by Saturday week. But the Senate will have to be exceedingly active to get them through by that time.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Something besides the appropriation bills is necessary in order for the Congress to put itself in a justifiable position to take a recess.

Mr. McKELLAR. Yes; that is true, but the ones I have mentioned are the principal things.

Mr. VANDENBERG. I do not think so. I believe the principal thing is essential reconversion legislation in respect to the period following the termination of hostilities; and I think it would be insufferable for Congress to consent to anything more than a purely temporary recess until such time as it has put reconversion legislation on the statute books. The entire economic life of America in the post-war era depends on it.

Mr. McKELLAR. Of course, the proposed legislation referred to by the Senator from Michigan is exceedingly important. All I can say to the Senator is that my duties on the Appropriations Committee have been such that I have not had time to give it the attention which I should have given it and which I expect to give it when it comes before the Senate for consideration.

Mr. VANDENBERG. The Senator, so far as he is personally concerned, has made a magnificent contribution, as usual. He is one of the most indefatigable Members of the Senate. I rose not to suggest that he had failed in any aspect of his duty, because he never does, but I did not want the inference to stand that the only thing in the way of a recess is the appropriation bills. That very definitely is not so.

Mr. McKELLAR. I thank the Senator very much. I wish to say that I shall be glad to help, in every way I can with respect to the measure which he regards as so important, which I regard as so important, and which, I think, all Senators regard as so important.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

June 15, 1944

No. 111

14. PRICE CONTROL. Agreed to Sen. Wagner's motion to disagree to the House amendment to S. 1764, to extend the Emergency Price Control and Stabilization Acts (p. 6033). Sen. Wagner, Barkley, Bankhead, Maloney, Tobey, Danaher, and Taft were appointed conferees. House conferees were appointed June 14.
15. WAR AGENCIES APPROPRIATION BILL. Sens. Russell, Ga., Maybank, S. C., and Danaher, Conn., submitted amendments which they intend to propose relating to the Fair Employment Practices Committee provision in this bill, H.R. 4879 (pp. 6023-5).

BILLS INTRODUCED

16. WAR POWERS. By Rep. Sumners, Tex., H.R. 5031, "to amend the First War Powers Act of 1941". To Judiciary Committee. (p. 6092.)
17. REGULATORY FUNCTIONS. By Rep. Disney, Okla., H.R. 5032, to provide for the submission of administrative regulations and orders to the Congress and for the approval by Congress, of those which should be continued in effect. To Judiciary Committee. (p. 6092.)
18. SMALL BUSINESS. By Rep. Spence, Ky., H.R. 5028, and S. 2004, by Sen. Wagner, N.Y., "to amend the act to mobilize the productive facilities of small business in the interest of successful prosecution of the war". To Banking and Currency Committee. (p. 6023, 6092.)
19. LAND DISPOSITION. By Sen. Thomas, Okla., S. 1998, to authorize and direct the sale of Moore Air Field. To Naval Affairs Committee. (p. 6023.)
20. FOOD ADMINISTRATION. By Sen. Wherry, Nebr. (for himself and others) S. Res. 309, authorizing an investigation to determine the conditions prevailing in the production, processing, distribution, and marketing of agricultural commodities, including livestock, feed, poultry, milk, eggs, and the products thereof. (p. 6032). Remarks of author. (pp. 6027-31).

ITEMS IN APPENDIX

21. BUREAUCRACY. Rep. Ludlow, Ind., inserted Lawrence Sullivan's letter to him and summary "of bureaucratic growth" (p. A3263).
22. COTTON PRICES; PARITY. Speech in the House by Rep. Whitten, Miss., urging support for the cotton-textile price amendment and claiming that "The cotton grower... is not getting parity" (p. A3264).
23. MEAT INSPECTION; SALARIES. Speech in the House by Rep. Crawford, Mich., criticizing the Senate amendment providing for reclassification of veterinarians' and lay inspectors' salaries (p. A3265).
Extension of remarks of Rep. Gillie, Ind., favoring this amendment (p. A3275).
24. POST-WAR PLANNING. Sen. Kilgore, W. Va., inserted a Chicago Sun editorial criticizing the "delay" in post-war planning (p. A3272).
25. FARM SECURITY. Extension of remarks of Rep. Sikes, Fla., including a Fla. newspaper article, commending the Farm Security program (pp. A3278-9).
26. FOREIGN RELIEF. Rep. Dickstein, N. Y., inserted 2 newspaper editorials commending efforts to provide relief for foreign war refugees (pp. A3288-9).

27. SMALL BUSINESS. Extension of remarks of Rep. Buffett, Nebr., urging support for his bill, H.R. 5019, to create post-war opportunity for small business (p. A3290).
28. VETERANS' BENEFITS. Extension of remarks of Rep. Bennett, Mo., giving his outline of information for veterans', servicemen's, and dependents' benefits (pp. A3291-5).

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For additional information and copies of legislative material referred to, call Ext. 4654 or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

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ITEMS IN FEDERAL REGISTER June 15, 1944

29. FARM LOANS. Acting Land Bank Commissioner's notice of call for redemption of 4% consolidated Federal farm loan bonds (p. 6592).
30. FOOD INSPECTION. Food and Drug Administration's inspection of canned shrimp and oysters (pp. 6583-4).
31. TRANSPORTATION. ICC's orders on icing of citrus fruits and loading of cotton; reconsignment permits for carrots, pineapples, and watermelons; and reicing permits for potatoes (pp. 6591-3).
32. PRICE CONTROL. OPA's orders on cooking stoves in Puerto Rico, automotive vehicles, bananas, community ceiling price lists, firewood, seafood, milk, ice, poultry, and solid fuels.
33. FOOD DISTRIBUTION. Asst. War Food Administrator's termination of WFO 88, with respect to apples (p. 6583).
34. FARM WAGES. Office of Labor's regulation concerning wages for workers engaged in picking of green peas for market in certain Idaho counties (p. 6585).

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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 21, 1944, for actions of Tuesday, June 20, 1944)

(For staff of the Department only)

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HOUSE

AGRICULTURAL APPROPRIATION BILL. The Senate agreed to the conference report on this bill (pp. 6356-7), and both Houses acted on items in disagreement (pp. 6356-7, 6363-72, 6379-89). All items have been disposed of with the exception of the House political activity prohibition, Sens. Russell, Hayden, Tydings, Bankhead, Smith, Nye, and Capper and Reps. Tarver, Cannon of Mo., Sheppard, Wene, Lambertson, Dirksen, and Plumley were appointed conferees for a further conference.

The House agreed, 299-43, to the Senate amendment striking the liquidation of the guayule rubber project provision (pp. 6363-70); to Rep. Tarver's (Ga.) motion to insist on disagreement to the Senate amendment striking out the AAA political activity prohibition, after rejecting, 123-219, Rep. Cochran's (Mo.) motion to recede (pp. 6370-2, 6379-83); 133-22, to the Senate FSA l-g-r-r amendment with an amendment reducing the administrative expense appropriation to \$26,000,000 (Senate figure, \$28,265,000) and the RFC loan authorization to \$67,500,000 (Senate figure, \$96,710,000); to the Senate amendment providing \$1,500,000 (House, \$750,000) for salaries and expenses in connection with making loans under Title I of the Bankhead-Jones Farm Tenant Act; and to the Senate amendment providing that funds for REA loans shall be borrowed from RFC.

PRICE CONTROL; RATIONING. Both Houses received the conference report on S. 1764, to amend the Emergency Price Control and Stabilization Acts (pp. 6356, 6372-9). The conference report provides: That this act shall be known as the Stabilization Extension Act of 1944; that these Acts shall be expended until June 30, 1945; that after June 30, 1945, no Government agency shall make any subsidy payments, unless the funds have been appropriated by Congress for such purpose; that the powers granted shall not be used or made to operate to compel changes in business practices, etc.; ^{for} maximum prices for fishery products based on the 1942

average price of such commodity; that before growers' maximum prices are established or lowered/^{on} any agricultural commodity OPA shall give not less than 15 days notice to growers of such commodities by newspaper or otherwise, prior to the normal planting season in the areas affected; that any person aggrieved by any action of any agency may petition for relief through declaratory judgment procedure; that OPA shall make adjustments from time to time for any fresh fruit or vegetable maximum prices; that OPA make purchases of commodities in order to obtain information as to violations of regulations; ^{for} protest procedures for judicial review of denial of protests as is now provided for; for stays in enforcement proceedings; for damage suits, so that the amount which may be recovered is not more than 3 times the amount of overcharge (upon the discretion of the court), or an amount not less than \$25 or more than \$50, provided that such amount shall be the amount of the overcharge or \$25, whichever is greater if the defendant proves that the violation was neither willful nor the result of failure to take precautions against the occurrence of the violation; for review of rationing suspension orders; for the method of determining the parity price or its equivalent for cotton; for assuring producers of commodities prices equal to the standards specified in the Stabilization Act; and for an increase in the loan rate for cotton and provides that, in the case of cotton, the new loan rate shall be 92 1/2% of the parity price, and prohibits grade labeling, and any requirement that a person sell or offer any commodity or to limit his stock to the highest price line offered for sale at any one time.

The report omits the provisions for OPA profit-fixing, for payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards, for adjustments in maximum prices and rents where necessary to correct gross inequities, for property sold under court order, for exemption of watermelons from maximum price regulations, for maximum prices for agricultural commodities and their products ("since there are other provisions in the conference substitute which are designed to assure that producers of agricultural commodities receive the prices specified in this provision"), and for the establishment of maximum prices for cotton-textile products.

3. INTERIOR APPROPRIATION BILL. Agreed to the conference report on this bill and acted on items in disagreement (pp. 6390-404). Agreed to Rep. Johnson's motions to recede and concur in the Senate amendments with amendments providing for synthetic liquid fuels investigations (pp. 6399-403) and for \$47,260 for the Virgin Islands agricultural experiment station to be expended under the supervision and direction of the Governor (p. 6404). The Senate has not yet acted on this report.

During the discussion on the synthetic-fuel item Rep. Cooley, N.C., and others discussed this Department's interest and functions in connection with utilization of agricultural commodities for this purpose (p. 6402-3).

4. WAR DEPARTMENT APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 4183, and to Rep. Snyder's motion to recede and concur in the item in disagreement (relating to mineral rights on certain Indian lands) (pp. 6404-5). The Senate has not acted on this report.

5. STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL. Received the conference report on this bill, H.R. 4204, which reported the census of agriculture item in disagreement (pp. 6407-8).

6. PERSONNEL; VETERANS. Agreed to the Senate amendments to H.R. 4115, to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed (p. 6363). This bill will now be sent to the President.

EXTENDING PRICE CONTROL AND STABILIZATION ACTS

JUNE 20, 1944.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1764]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Stabilization Extension Act of 1944".

TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

TERMINATION DATE

SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1944," and substituting "June 30, 1945".

AMENDMENT OF SECTION 2 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 102. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: Provided, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term 'regulation or order' means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such

recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

“(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area. Whenever the Administrator shall find that, in any defense-rental area or any portion thereof specified by him, the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act in such defense-rental area or portion thereof shall be forthwith abolished; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area or portion thereof, he may forthwith by regulation or order reestablish maximum rents for housing accommodations therein in accordance with the standards set forth in this Act.

"(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Under regulations to be prescribed by the Administrator, he shall provide for the making of individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, and in those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

"(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: Provided, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity:

Provided, however, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose; and appropriations for such purpose are hereby authorized to be made.

"(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

"(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

"(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942.

"(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing

any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"(k) No regulation, order, or price schedule issued under this Act shall, after the effective date of this subsection, require any seller of goods at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: Provided, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

"(m) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

AMENDMENTS TO SECTION 3 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 103. (a) Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule or other

requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture."

(b) Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or any fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity."

AMENDMENTS TO SECTION 201 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 104. (a) Section 201 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(c) The Administrator shall have authority to make such expenditures including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

(b) Section 201 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: Provided, That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge."

AMENDMENTS TO SECTION 202 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 105. (a) Section 202 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"SEC. 202. (a) The Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder."

(b) Section 202 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(i) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

AMENDMENT OF SECTION 203 OF EMERGENCY PRICE CONTROL ACT
OF 1942

SEC. 106. Section 203 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PROCEDURE

"SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

"(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

"(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: Provided, however, That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied,

within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

AMENDMENTS TO SECTION 204 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 107. (a) Subsection (c) of section 204 of the Emergency Price Control Act of 1942, as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: "Two judges shall constitute a quorum of the court and of each division thereof."

(b) Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order or price schedule, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding

under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

“(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation, order, or price schedule involved in the proceeding. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206.”

AMENDMENTS TO SECTION 205 OF EMERGENCY PRICE CONTROL ACT
OF 1942

SEC. 108. (a) The third sentence of subsection (c) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: “Provided, however, That all suits under subsection (c) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.”

(b) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

“(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In such

action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: Provided, however, That such amount shall be the amount of the overcharge or overcharges or \$25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered."

(c) The amendment made by subsection (b), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within thirty days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this Act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this Act and with respect to proceedings instituted thereafter.

(d) Subsection (f) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof, inserting a colon and the following: "Provided, That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942."

(e) Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this Act. Any action to enjoin or set aside such order shall be brought within five days after the service thereof. No suspension order shall take effect within five days after it is served, or, if an application for a stay is made to the Administrator within such five-day period, until the expiration of five days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "Provided, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

(b) Section 3 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the Act entitled 'An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved

July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

AMENDMENT TO SECTION 4 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 202. Section 4 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

TERMINATION DATE

SEC. 203. Section 6 of such Act of October 2, 1942, as amended, is amended by striking out "June 30, 1944" and substituting "June 30, 1945".

AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 204. Section 8 (a) (1) of such Act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out "at the rate of 90 per centum of the parity price" and inserting in lieu thereof "at the rate in the case of cotton of 92½ per centum, and at the rate in the case of the other commodities of 90 per centum, of the parity price". The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop

of any commodity before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made.

SHORT TITLE

SEC. 205. Such Act of October 2, 1942, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 12. This Act may be cited as the 'Stabilization Act of 1942'."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WM. B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
F. L. CRAWFORD,
RALPH A. GAMBLE,

Managers on the part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
FRANCIS MALONEY,
J. H. BANKHEAD,
JOHN A. DANAHER,
CHAS. W. TOBEY,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause, and inserted a substitute. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

All differences between the House amendment and the proposed conference substitute are explained in the following statement, except for minor clarifying changes and incidental changes made necessary by reason of agreements reached by the committee of conference.

SHORT TITLE

The Senate bill contained a short title, the "Stabilization Extension Act of 1944", to the legislation here proposed to be enacted. The House amendment contained no such provision. This provision has been included as the first section of the conference substitute.

PERIOD OF EXTENSION OF PRESENT LAW

The Senate bill provided for extending the period of operation of the Emergency Price Control Act of 1942 until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

The Senate bill provided for extending the period of operation of the Stabilization Act of October 2, 1942, until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

AMENDMENTS TO SECTION 2 OF THE EMERGENCY PRICE CONTROL ACT OF 1942

Section 2 of the Emergency Price Control Act of 1942, which grants to the Price Administrator his basic power to establish maximum prices and maximum rents, and which contains standards and limitations applicable to the exercise of the authority to fix maximum prices and maximum rents, was amended by the House amendment in a number of respects. It was also amended by the Senate bill.

Fixing of profits.—The House amendment added to section 2 (a) of the Emergency Price Control Act of 1942 a proviso as follows:

Provided further, That this Act shall not be construed or interpreted in such a way as to give to the Administrator the right to fix profits where such action has no relation to price control.

This proviso has been omitted from the conference substitute. It was felt that it contained a clear and undesirable implication that the Price Administrator would have the power to fix profits where such action had a relation to price control. Apart from this implication, the provision was believed to be surplusage, since the Price Administrator does not now have the authority to fix profits, as such, under any circumstances, and will not have such authority after the enactment of the legislation here proposed.

Rent adjustments.—The House amendment added to section 2 (c) of the Emergency Price Control Act of 1942, a new sentence as follows:

The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, including those cases in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs, or in which the rent is less than the total costs of operation, or in multiple-unit premises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises.

This sentence has been retained in the conference substitute, but it has been modified. The first part of the sentence remains the same as it was in the House amendment except for the addition, at the beginning, of the words "Under regulations to be prescribed by him," but the latter part, beginning with the word "including", has been changed to require the Price Administrator to provide for the making of individual adjustments, under regulations to be prescribed by him, in

those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs.

Discontinuance of rent controls.—The House amendment added to section 2 (c) of the Emergency Price Control Act of 1942, a provision requiring the Price Administrator to abolish rent controls upon the making of certain specified findings indicating that the need for the maintenance of such controls no longer existed, but provided that such controls could be reestablished whenever in his judgment such action was necessary or proper in order to effectuate the purposes of the Emergency Price Control Act. As adopted by the House, this provision might have been subject to the interpretation that it applied only where the finding could be made with respect to an entire defense-rental area, or, possibly, with respect to all defense-rental areas. The provision has been included in the conference substitute, but has been modified so as to make it clear that it applies for purposes of removal of rent controls where the finding can be made with respect to any defense-rental area, or with respect to any portion of a defense-rental area specified by the Price Administrator, and a corresponding authority to reestablish rent controls where necessary, is also included. The conference substitute provides for inserting this provision in section 2 (b) of the present act rather than in section 2 (c).

Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards.—The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 a proviso as follows:

Provided further, That from and after the enactment of this Act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the Act of October 2, 1942 (Public Law 729, 77th Congress). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law.

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

Making of subsidy payments after June 30, 1945.—The Senate bill contained a provision, not included in the House amendment, adding to section 2 (e) of the Emergency Price Control Act of 1942 a new paragraph as follows:

After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose.

This provision has been included in the conference substitute, but in order to remove any doubt which might exist as to authority for the making of the appropriations for use after June 30, 1945, contemplated by the provision, additional language authorizing such appropriations has been included.

Authority to compel changes in business practices established in any industry.—The House amendment rewrote section 2 (h) of the Emergency Price Control Act of 1942 to read as follows:

(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices.

In addition to inserting the words "or changes in established rental practices" the change made by the House in the existing provision was to delete the exception which permitted the Price Administrator to compel changes of the character referred to in order to prevent circumvention or evasion of any regulation, order, price schedule, or other requirement under the act. The exception is restored in the conference substitute with a change imposing a limitation on the authority of the Price Administrator which is not contained in existing law. With this change the Administrator will have authority to compel

such changes only in cases where he has affirmatively found such action to be necessary to prevent circumvention or evasion of a regulation, order, price schedule, or other requirement under the act.

Maximum prices in the case of fishery commodities.—The Emergency Price Control Act of 1942 provides in section 2 (i) that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941. The conference substitute modifies this subsection by striking out "1941" and inserting "1942".

Grade labeling and standardization of commodities.—As extended by the conference substitute, the Price Control Act includes without change section 2 (j), which was added by the act of July 16, 1943, to prohibit grade labeling and to restrict the employment in pricing of specifications or standards not previously in general use. Since the managers on the part of the House, in presenting the amendment to the House last July, specifically explained its meaning and purposes, there is no reason for further congressional revision of this part of the law. As stated at the time, each of the specific prohibitions in section 2 (j) is to be applied in price control, and none of them may be disregarded. Accordingly, although other subdivisions of section 2 have been revised by the bill here under consideration, this subsection (j) has been left unchanged.

Adjustments in maximum prices and maximum rents where necessary to correct gross inequities.—The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (k) as follows:

(k) The Administrator shall, without regard to the limitations contained in this Act or the Stabilization Act of 1942, adjust any maximum price or rent to the extent that it may be necessary to correct gross inequities.

This subsection has not been retained in the conference substitute.

Highest price line restriction.—The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (l) as follows:

(l) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent, or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any one time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect.

This provision is retained in the conference substitute with certain changes. The only substantial change which has been made, aside from changes for the purpose of clarification, is to limit it so that the prohibition against the highest price line limitation applies only in the case of sellers of goods at retail. Regulations, orders, or price schedules heretofore issued, insofar as they are inconsistent with this subsection, will become inoperative.

Property sold under court order.—The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (m) as follows:

(m) No maximum price shall be fixed or maintained upon any article of property, of whatsoever character, which is sold by any administrator, executor, trustee, receiver, or other officer of any court, which is sold under the order or decree of such court.

This subsection has not been included in the conference substitute. The committee of conference believed it unwise to completely exempt from price control all sales of the character referred to in the amendment. Most such sales are now exempt by administrative action,

and, it is assumed, will continue to be, but it is considered desirable to permit the Price Administrator to continue to apply price ceilings in those exceptional cases where it is necessary to do so in order to effectuate the purposes of the act.

Notice to growers prior to planting season.—The House amendment added to section 2 of the Emergency Price Control Act a new subsection as follows:

(n) Before any maximum price ceiling is established or lowered, on any agricultural commodity, the Administrator of the Office of Price Administration, or such Federal agency as he may direct, shall give to the growers of the said agricultural commodity fifteen days' notice, by newspaper or otherwise, prior to the normal planting season in the areas affected.

This subsection has been modified in the conference substitute so that it reads as follows:

(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

Exemption of watermelons from maximum price regulation.—The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (o) as follows:

(o) No maximum price shall be established or maintained under this Act or otherwise, with respect to watermelons.

This subsection has not been included in the conference substitute. The committee of conference considered it undesirable to provide for an absolute exemption from price control in the case of one specified commodity.

Relief through declaratory judgment procedure in case of certain unauthorized acts of Government officers, employees, or agencies.—The Senate bill added to section 2 of the Emergency Price Control Act of 1942 a new subsection as follows:

(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case.

This provision is included in the conference substitute, as new subsection (m) of section 2 of the Emergency Price Control Act of 1942.

ADJUSTMENTS IN MAXIMUM PRICES FOR FRESH FRUITS AND FRESH VEGETABLES

The House amendment added at the end of section 3 of the Emergency Price Control Act of 1942 a new subsection as follows:

(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in cost of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.

The Senate bill, in section 205, contained an amendment to section 3 of the Stabilization Act of October 2, 1942, dealing with the same subject-matter as the House amendment above quoted, but it contained the words "including potatoes". The House provision is included in the conference substitute, the only change being that the word "any" has been inserted before the words "fresh vegetable". The adoption of the House provision rather than that of the Senate should not be construed to indicate that potatoes are not to be considered to be a fresh vegetable. That question should be determined without regard to this difference between the Senate and House provisions.

EXPENDITURES BY THE PRICE ADMINISTRATOR

The Senate bill contained an amendment to section 201 (c) of the Emergency Price Control Act inserting language authorizing the Price Administrator to make expenditures "for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules". No such provision was included in the House amendment.

This provision is included in the conference substitute. It is believed that the authority to make purchases provided for by this amendment is necessary, and the Office of Price Administration has stated that similar authority is possessed by every comparable enforcement agency.

RIGHT OF PERSON SUBPENAED TO BE REPRESENTED BY COUNSEL AND TO MAKE A RECORD OF TESTIMONY

The House amendment contained two amendments to section 202 of the Emergency Price Control Act of 1942.

The first amendment inserted the words "to conduct such hearings" in subsection (a) of section 202. This amendment is retained with clerical changes in the conference substitute.

The other amendment added to section 202 a new subsection as follows:

(i) Any person subpoenaed under this section shall have the right to be represented by counsel and to make a record of such study, hearing, and investigation in which he may be called upon to testify; and, upon his request, such study, hearing, and investigation, shall be public.

This subsection has been modified as it appears in the conference substitute so that it reads as follows:

(i) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

It is believed that this subsection, as modified, accomplishes the principal objective intended, without being subject to objections which were raised with respect to the subsection as it passed the House.

PROTEST PROCEDURE

Both the Senate bill and the House amendment made changes in section 203 of the Emergency Price Control Act relating to filing and consideration of protests setting forth objections to price and rent regulations and orders, and price schedules.

Under the present law a person affected by a regulation or order issued under section 2 may contest such regulation or order by the filing of a protest with the Administrator within 60 days after the issuance of the regulation or order. After the expiration of such 60 days there is no method by which the regulation or order may be contested except where the protest is based on grounds arising after the expiration of the 60-day period.

The Senate bill retained the 60-day period but provided that during the period of 60 days after June 30, 1944, persons affected by regulations, orders, or price schedules previously issued could file protests with the Administrator. The House amendment removed entirely the 60-day limitation provided by existing law so that a protest could be filed with the Administrator at any time either with respect to new regulations or orders, or regulations, orders, or price schedules which have heretofore become effective. The House provision eliminating the 60-day provision from present law is retained in the conference substitute.

Both the Senate bill and the House amendment proposed to add to section 203 of the Emergency Price Control Act of 1942 a proviso providing for the setting up of a board of review in the Office of Price Administration to which, upon request of the protestant, any protest is to be referred before it is denied in whole or in part. The protest is to be considered by such board of review and the protestant is to be accorded, among other things, opportunity to present evidence in writing and oral argument before the board. In the Senate bill this procedure was applicable to any protest filed after September 1, 1944. In the House amendment it was made applicable to any protest filed "within 30 days from the effective date of this amendatory proviso." The conference substitute follows the Senate bill on this point.

The House amendment contained the following sentence which was not in the Senate bill:

Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants, subpoenas shall issue for the appearance of persons, and the production of documents, or both.

This sentence has been retained in the conference substitute, but has been modified to read as follows:

Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by

subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both.

The Administrator may, under this provision, decide in the first instance whether a showing has been made that material facts would be adduced by the use of the subpoena power in a particular case, but his action in so deciding would be subject to appropriate court review.

JUDICIAL REVIEW OF DENIAL OF PROTESTS

Section 204 of the Emergency Price Control Act provides the method by which denials of protests shall be subject to judicial review. The section provides for the creation of a special court to be known as the Emergency Court of Appeals to consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals, and this is the only court to which the protestant has recourse for purposes of judicial review of the action of the Administrator in denying a protest. The judgment of the Emergency Court of Appeals in any such case is subject to review by the United States Supreme Court.

The Senate bill provided for no change in the provisions of present law above referred to. The House amendment, in section 7, contained amendments to such section 204 modifying its provisions so that the protestant could have recourse not only to the Emergency Court of Appeals but also to "the appropriate district court." These amendments also struck out the provision in existing law which denied to the Emergency Court of Appeals the power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2, or any price schedule effective in accordance with the provisions of section 206. The amendments also modified the provisions of section 204 (d). That subsection now provides that the Emergency Court of Appeals and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2 or of any price schedule, and the amendment provided, in addition, for giving to the district courts jurisdiction to determine such question of validity.

The House amendments to section 204 above referred to have not been included in the conference substitute.

STAYS IN ENFORCEMENT PROCEEDINGS

Both the Senate bill and the House amendment amended section 204 of the Emergency Price Control Act by adding a new subsection (e) providing procedure by which enforcement proceedings under section 205 could be stayed pending determination by the Emergency Court of Appeals of the validity of the provision of the regulation, order, or price schedule violation of which was charged in the enforcement proceeding.

The subsection as included in the conference substitute follows generally the House amendment, but there are certain differences.

Under the House amendment the defendant could apply to the court at any time prior to or within 5 days after judgment for leave to file a complaint in the Emergency Court of Appeals to test the validity

of the provision of the order, regulation, or price schedule. Under the Senate bill, application had to be filed within 5 days after judgment. The conference substitute permits application to be filed only within 5 days after judgment in civil cases, but in criminal cases application may be filed within 30 days after arraignment, or such additional time as the court may allow for good cause shown, or within 5 days after judgment.

Under the Senate bill the complaint had to be filed in the Emergency Court of Appeals within 30 days from the granting of leave by the lower court. This 30-day limitation was not included in the House amendment. It has been included in the conference substitute. It should be understood that this merely specifies the time within which the complaint must be filed in order that the Emergency Court of Appeals will have jurisdiction, but does not limit in any way the jurisdiction of the court to act upon a complaint filed within such 30-day period.

There has been included at the end of the last sentence of the subsection the following provision which was not contained in the House amendment:

nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206.

SUITS FOR DAMAGES

Both the Senate bill and the House amendment rewrote subsection (e) of section 205 of the Emergency Price Control Act of 1942, the so-called treble-damage provision. The differences between existing law and the provision in the House amendment were explained in the report of the House Banking and Currency Committee.

By an amendment on the floor of the House the subsection was modified so that in addition to attorney's fees and costs the amount which could be recovered was the greater of the following: (1) Such amount not more than \$50 or treble the amount of the overcharge or the overcharges whichever is greater, upon which the action is based as the court in its discretion may determine, or (2) \$50. In the conference substitute this part of the subsection has been modified so that in addition to attorney's fees and costs the amount which may be recovered is (1) such amount not more than three times the amount of the overcharge or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine. Under the first clause the buyer of the commodity would be entitled, of course, to recover a minimum of the amount of the overcharge, or the overcharges, for which the action is brought.

There has been added at the end of the provision above referred to a proviso as follows:

Provided, however, That such amount shall be the amount of the overcharge or the overcharges or \$25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither wilful nor the result of failure to take practicable precautions against the occurrence of the violation.

This proviso has been included at this point in lieu of the proposed new section 205 (g) which the House amendment added to present law. Such subsection (g) would have applied also in the case of

criminal proceedings and suits for suspension of a license. There appeared to be no need to apply the provision to criminal proceedings because a conviction may be obtained only in cases of wilfull violations under the present provisions of the Act.

The Senate bill added to section 205 (e) a new sentence as follows:

Notwithstanding any provision of this Act, the Emergency Price Control Act of 1942, or the amendment thereto of Act, October 2, 1942 (Public Law 729, Seventy-seventh Congress), all suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent.

No such provision was contained in the House amendment. It has been included in the conference substitute in modified form as a proviso added at the end of the third sentence of section 205 (c).

AMENDMENT TO SECTION 205 (F)

The House amendment amended section 205 (f) of the Emergency Price Control Act of 1942 by adding the following proviso:

Provided, That, notwithstanding the provisions of section 301 of the Second War Powers Act, 1942, or any other law, no such license shall be suspended in any other manner, for any other cause, or for a longer period of time, than provided in this subsection, and no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to any provision of law other than the provisions of this Act or of the Stabilization Act of October 2, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or under the Stabilization Act of October 2, 1942.

This provision has been included in the conference substitute with modifications so that it reads as follows:

Provided, That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942.

REVIEW OF RATIONING SUSPENSION ORDERS

The Senate bill included a proposed new subsection to be added at the end of section 205 of the Emergency Price Control Act of 1942, as follows:

(g) The district courts shall have exclusive jurisdiction to enjoin or set aside in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this Act. Any action to enjoin or set aside such order shall be brought within five days after the service thereof. No suspension order shall take effect within five days after it is served, or, if an application for a stay is made to the Administrator within such five-day period, until the expiration of five days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings.

This subsection has been included in the conference substitute.

AMENDMENT TO SECTION 1 OF THE STABILIZATION ACT

The House amendment amended the first section of the Stabilization Act of October 2, 1942, so as to make it mandatory that the President exercise the authority which he now has under that act to provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities. This provision is not retained in the conference substitute.

MAXIMUM PRICES FOR AGRICULTURAL COMMODITIES AND THEIR PRODUCTS

The House amendment inserted in section 3 of the Stabilization Act of October 2, 1942, a new proviso as follows:

Provided, That the maximum price so established may be charged or collected by the processor or manufacturer only when the producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to thirty days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 per centum of the maximum price so established.

This provision is not retained in the conference substitute, as there are other provisions in the conference substitute which are designed to assure that producers of agricultural commodities receive the prices specified in this provision.

The Senate amendment added to section 3 of the Stabilization Act of October 2, 1942, a new paragraph containing a specific formula for the establishment of maximum prices for textile products processed or manufactured in whole or in substantial part from cotton or cotton yarn. This paragraph also provided that the method now used for the purposes of Commodity Credit Corporation loans for determining the parity price or its equivalent for cotton should also be used for price-control purposes. The conference substitute omits the formula which was contained in the Senate bill for fixing maximum prices for cotton textiles, but it retains the provision relating to the method of determining the parity price or its equivalent for cotton. This provision, along with the provisions which are designed to assure producers of commodities prices equal to the standards specified in the Stabilization Act, is contained in the new provisions which are added by the conference substitute at the end of section 3 of the Stabilization Act as follows:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish or maintain any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the

prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths-inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths-inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined.

LOAN RATE FOR AGRICULTURAL COMMODITIES

The Senate bill contained provisions, not in the House amendment, increasing the basic loan rate for cotton, corn, wheat, rice, tobacco, and peanuts from the 90 percent provided in existing law to a new rate of 95 percent of the parity price. This section also made a corresponding increase from 90 to 95 percent of the parity or comparable price in the case of price-supporting operations for nonbasic agricultural commodities. The conference substitute retained only so much of this provision as relates to an increase in the loan rate for cotton and provides that, in the case of cotton, the new loan rate shall be 92½-percent of the parity price.

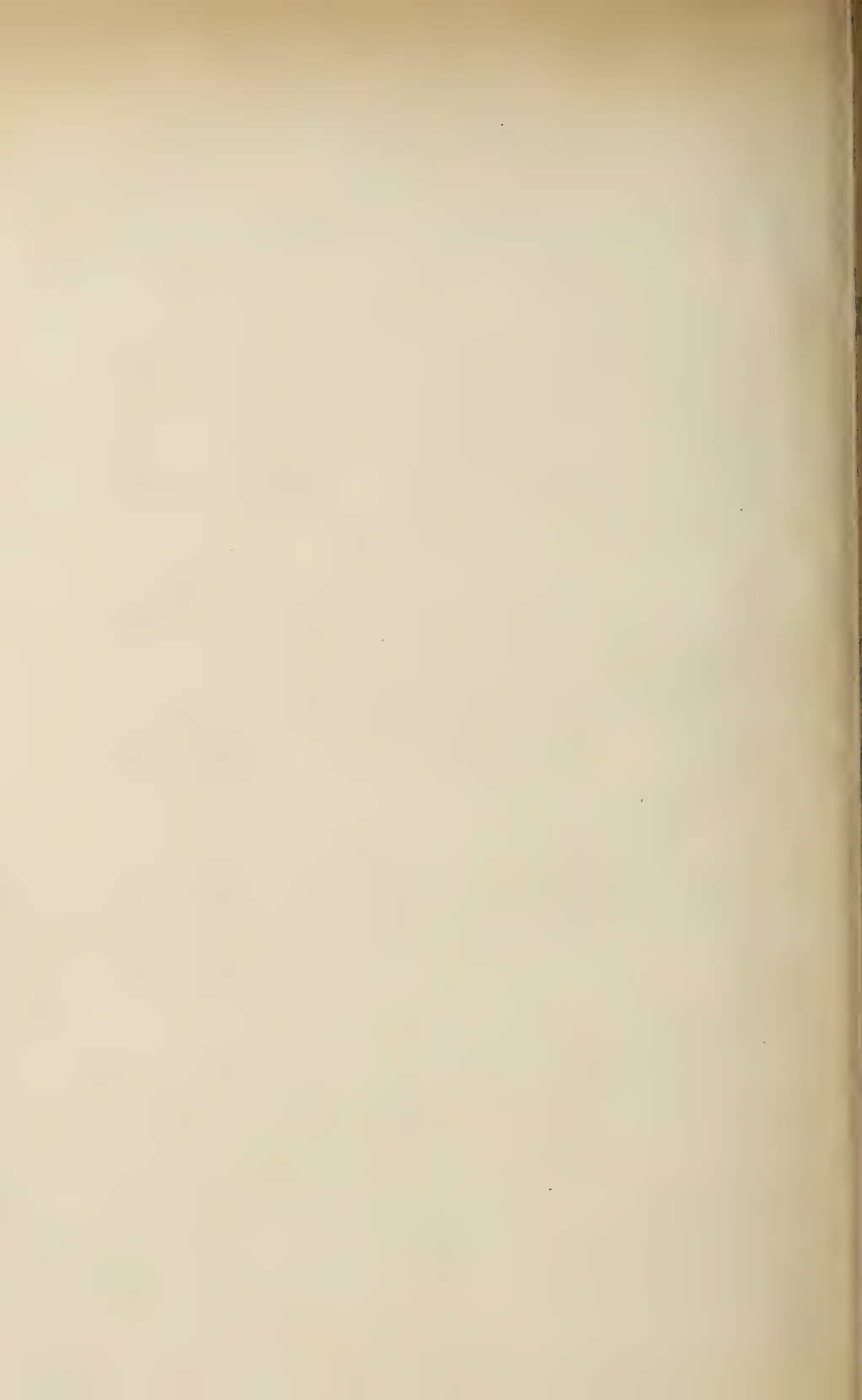
CONTINUING INVESTIGATIONS OF THE STABILIZATION PROGRAM

The House amendment added a section to the Stabilization Act of October 2, 1942, providing that the Committees on Banking and Currency of the Senate and the House of Representatives, respectively, should be authorized to conduct investigations of stabilization activities and the effect of such activities on industry, production, renting and housing, and distribution. The conference substitute does not retain this provision.

BRENT SPENCE,
PAUL BROWN,
WM. B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
F. L. CRAWFORD,
RALPH A. GAMBLE,

Managers on the part of the House.





governors of the States to submit to the President not only the names of those to serve on the Selective Service boards, but the names of those who volunteered in war work, the governors did so. I thoroughly agree with the distinguished Senator from Kentucky. I had no idea of suggesting an amendment which would in any way reflect on the service to this country in time of war of any individual, and I know that the majority leader did not mean to infer that my amendment would do that.

Mr. BARKLEY. Of course, I did not mean that. The point is, why deny people, who are willing an opportunity to serve in connection with the committee now under discussion, any American who is willing to serve without compensation, when we are not taking such action as to any other activity?

Mr. MAYBANK. Very frankly, the general police powers of this country and of any State, as the Senator knows, are entirely different from those affecting volunteers on ration boards or in the selective service. While I am not asking for a ye and nay vote, I am conscientious in believing that the United States Government has sufficient money to pay those who are supposed to go around and look into complaints of some businessman, or someone else.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. MAYBANK. One moment, Mr. President. The majority leader brought up the subject of the volunteer work being done by the people of this country, and I am happy he did so. I want to have the record clear. My thought in connection with this is that where investigations under this Committee with police power are ordered, a committee for which \$500,000 is appropriated, they should be undertaken by paid workers or those who have taken the oath of office. We need volunteers to assist in the war effort, but to turn the police powers of the Government of the United States over to individuals who have not taken the oath of office, and who are responsible to no one except some member of the Fair Employment Practice Committee who may appoint them, is a mistake.

Mr. BARKLEY. I do not wish to delay a vote. I merely raised the question because it seems to me a little unusual that, inasmuch as in all the other agencies, the people are permitted to render service without charging for it, we should make it impossible for anyone to render service in connection with the agency under discussion without paying them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK]. [Putting the question.]

Mr. EASTLAND. I ask for a division.

On a division, the amendment was rejected.

Mr. PEPPER. Mr. President, I ask unanimous consent that I may move to reconsider the vote by which an item was agreed to, and I should like leave to make a brief explanation. It pertains to the appropriation for Federal and State co-

operation through the Office of Civilian Defense.

The House of Representatives reduced the appropriation for the Office of Civilian Defense from \$4,700,000 for the year 1944 to \$1,000,000 for the year 1945. However, the House committee stated in its report, on page 11, as follows:

In making the decrease of \$139,000 in the Budget estimates, the committee feels that it has provided the irreducible minimum for a Federal program of leadership in civilian defense considering the lessened danger of attack, but viewing the home-front activities which are carried on by State and local councils and their contribution to the war effort. All danger of coastal attack of some character is not definitely past, and those regions are entitled to and should continue to receive attention.

Mr. President, as I have said, in this item the House of Representatives provided \$538,500 for the Federal-State co-operation program for civilian defense. That is a part of the civilian-defense activity in which the volunteer work of all citizens is coordinated through State and local councils by the Federal Government, through the Office of Civilian Defense.

As I have said, the House of Representatives cut \$100,000 from a Budget estimate of \$638,000, but the House committee said, in making the cut, that that was, in its opinion, the irreducible minimum, in fairness to the public interest being served by this agency.

The Senate Committee on Appropriations took action, which has been ratified already by the Senate, cutting another 25 percent off the appropriation, bringing it down to \$403,000. I know that the officials of the Civilian Defense Agency, and persons from several States, have contacted a number of Senators, and it is felt that a grave injustice will be done to this volunteer program, which embraces 11,000 local councils and 11,000,000 citizen volunteers working through the program.

So, Mr. President, I ask unanimous consent that the Senate reconsider the vote by which the figure \$403,875, which is the committee amendment, was agreed to, on page 9, line 18, of the pending bill, so that we may have a vote, not a record vote, but a vote, on whether the Senate would like to concur in the House item, which the House said provided the irreducible minimum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. McKELLAR. Mr. President, I shall not object to the Senator's request to reconsider the vote, but I appeal to the Senate in this matter not to vote these sums back into this appropriation bill.

The House allowed a million dollars, in all, for the Office of Civilian Defense. We all know what that is. There is not one one-thousandth of the danger there was when this organization was started. We have gradually reduced the appropriation from year to year, as the danger has passed. At present we are not doing much more than keeping the skeleton of the organization, and retaining some people in office. The committee

thought a reduction from a million dollars to \$750,000 was a very modest cut.

I do not think there was a member of the committee who did not agree respecting the several amendments aggregating \$250,000. I am willing that the Senator from Florida shall have unanimous consent to reconsider the vote by which the committee amendment was adopted, but when a vote is taken on the question I beseech the Senate not to provide for \$250,000 additional to be spent absolutely uselessly. As a matter of fact, I think the amount of \$750,000 provided for the Office of Civilian Defense is too much.

Mr. REED. It is too much; yes.

Mr. McKELLAR. But if there is any evidence that can be brought forth to justify that amount it can be brought to the attention of the conferees.

Mr. REED. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. REED. I join with the Senator from Tennessee in the statement he has just made.

Mr. McKELLAR. I thank the Senator.

Mr. REED. Of course, as a matter of courtesy to the Senator from Florida, if he wants a reconsideration of the vote by which the amendment was agreed to, it should be granted him. There is nothing left of the O. C. D. except a glorified boondoggling proposition. Instead of giving the O. C. D. \$750,000 we ought to cut it down to \$250,000 and tell them to wind up their work quickly. The country is no longer in danger of invasion. We no longer need black-outs. The O. C. D. was overexpanded to begin with, even at a time when there was an element of danger, which has now disappeared. It is now silly to continue these appropriations when there is no need for them. I believe a further cut should be made in the appropriation instead of stopping with the moderate cut which has been made.

Mr. McKELLAR. I agree with the Senator from Kansas thoroughly.

Mr. PEPPER. Mr. President, I ask unanimous consent that the vote by which the committee amendment on page 9, line 18, to strike out "\$538,000" and to insert "\$403,875" was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered.

The question now is on agreeing to the committee amendment.

Mr. PEPPER. Mr. President, I should like to say a word now in opposition to the committee amendment. I wish to thank all Senators, and especially the able Senator from Tennessee, for his courtesy. The able Senator is in error, however, when he says that I am asking that the appropriation be increased by \$250,000. I only wish to restore the House appropriation respecting the Federal-State cooperative program, and not to restore even to the House item that part of the appropriation dealing with the preservation of property. There was a cut of about \$39,000 by the Senate committee respecting the preservation of the Federal property owned by the O. C. D.,

but we will let that pass. I address myself only to the substitution of the House figure of \$538,500 on page 9, line 18, for the Senate figure of \$403,875.

Mr. McKELLAR. Is that the only item respecting which the Senator asks for a reconsideration of the vote?

Mr. PEPPER. That is all.

Mr. McKELLAR. Exactly the same situation applies to this item that applied to other amendments. The House figure ought not to be allowed. The amount of \$403,875 which the Senate committee allowed is more than sufficient to do the work, and I hope the Senate will vote down the proposed amendment of the Senator from Florida.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. The vote by which the amendment was agreed to having been reconsidered, the matter is now before the Senate, as I understand, in the form in which it came from the Senate Committee on Appropriations. The committee amendment reduced the appropriation. Therefore the vote is on the committee amendment, and there is no amendment being offered to it, as I understand.

Mr. McKELLAR. Then, if that be the case, I move the adoption, if I may, of the amendment as reported by the Senate committee, of \$403,875. Those who believe the Senate committee was correct in presenting that figure will vote "yea." I hope the majority of the Senate, if not all Members present, will vote "yea."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 9, line 18, to strike out "\$538,500" and insert "\$403,875."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. McCLELLAN. Mr. President, I merely wish to make this statement. The hour is late. A good many Senators have already left the Chamber. I assume we will be unable to obtain a yeand-nay vote on the final passage of the bill.

Mr. President, I favor all the appropriations contained in the bill except the one for the continuation of the F. E. P. C. I cannot vote for the bill with that appropriation in it. I wish the RECORD to show that I still oppose the appropriation for the F. E. P. C., and shall vote accordingly.

Mr. EASTLAND. Mr. President, I want the RECORD to show that I favor all the appropriations contained in the bill except the appropriation for F. E. P. C., and, therefore, because that appropriation is now in the bill, I shall vote against the entire bill.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 4879) was passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS conferees on the part of the Senate.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS—AUTHORITY TO FILE CONFERENCE REPORT

Mr. WAGNER. Mr. President, the conferees have agreed upon a report to be made as a result of the conference on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes. The report probably will not be ready for another hour or two, and I ask unanimous consent that I may file the report during the recess between now and tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

[Mr. WAGNER subsequently submitted the conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes. For conference report see p. 6372 of the RECORD of today's House proceedings.]

DEPARTMENT OF AGRICULTURE APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma obtained the floor.

Mr. RUSSELL. Mr. President, if the Senator from Oklahoma does not object I should like to dispose of the conference report on the agricultural appropriation bill. I do not think it will take more than 2 or 3 minutes.

Mr. THOMAS of Oklahoma. I yield for that purpose.

Mr. RUSSELL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) "making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 22, 24, 33, 37, 50, 51, 54, 55, 57, 67, and 69.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 8, 18, 19, 20, 21, 23, 28, 29, 34, 35, 36, 38, 42, 44, 45, 47, 56, 58, 64, and 68, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,160,552"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$2,375,236"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "Provided, That the cost of erecting any one building, except head houses connecting greenhouses, shall not exceed \$2,500, and the cost of alterations to any one building shall not exceed \$500 or 2 per centum of the cost of the building as certified by the Secretary, whichever is greater, but in no event to exceed \$2,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$353,639"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert: "\$25,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$951,611"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$506,348"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$71,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "Provided further, That no part of this appropriation shall be used for agricultural wage stabilization with respect to any commodity unless a majority of the producers of such commodity within the area affected have requested the intervention of the Administrator of the War Food Administration"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(or in the case of perishable fruits and vegetables if there is danger of deterioration or of accumulation of stocks)"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$350,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "": *Provided further, That in the State of*

only means of stopping it, and if we leave this amendment in the bill, it will be stopped.

Mr. COCHRAN. Is the gentleman going to require 99 percent of the employees of the Department of Agriculture to make an affidavit every month in order to get their pay?

Mr. HARNES of Indiana. I would rather have every employee of the Department of Agriculture make an affidavit every month than to permit them to continue to impose upon the farmers of the country as they have in the past.

Mr. COCHRAN. I heard the speech of the chairman of the Committee on Appropriations who stated that two employees of the Department had visited his district. Does the gentleman mean to tell me that the Appropriations Committee, with the chairman at the head of it, could not go to the Department of Agriculture and get the Secretary to stop the practice?

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Georgia.

Mr. RAMSPECK. May I say to the gentleman from Indiana that in my judgment, if what he says is true and has happened, it is the fault of the management of the agency, and that this amendment should be directed to the head of the agency, and he ought to be fired if he does not stop it. Do not deprive the employees of their rights simply because the management of the agency has failed to curb one or two employees who may have done wrong.

Mr. COCHRAN. It is my purpose now to analyze this amendment.

First, it prohibits any employees of the Department of Agriculture from engaging in any political activity or lobbying activity—including but not limited to making or soliciting contributions to campaign funds of political parties or to any organization, association, corporation, or individual for the purpose of aiding or influencing the election or defeat of any candidate for political office.

This goes so far that if an individual had a brother or sister employed by the Department of Agriculture and he or she was a candidate for any political office from constable up, it does not have to be a Federal office, that individual is prohibited from lending the relative any financial support or asking any individual to vote for the candidate. The activity would be confined solely to the vote of the employees.

Second. Further analyzing the part of the amendment that I have quoted, no official or employee of the Department of Agriculture could attend a Jackson Day or a Lincoln Day dinner, or any kind of a meeting where any part of the cost would divert to a political party, or to any organization or association that would be actively engaged in politics.

No official or employee of the Department would be permitted, under other provisions of this amendment, to contribute an article or write a letter to any newspaper or other publication expressing his or her views in reference to any candidate for any political office.

Further, there is a provision that prevents any employee of the Department

taking any action whatsoever in reference to any legislation pending in Congress, be it an appropriation or any other kind of legislation.

There is another provision that prevents any employee from visiting a Member of Congress or talking to a Member of Congress over the telephone in reference to any matter in which he or she might be interested.

If this is not denying the right of petition to the officials and the employees of the Department, I do not know what the language means. The amendment is so worded that unless a Member of Congress or a committee of Congress requested information from an individual in the Department, or the Department itself, the information could not be furnished.

The Harness amendment relates solely to per diem employees and provides that no part of the money can be used to pay them if personally, or by letter, he or she demands that a farmer join the A. A. A. program as a condition of draft deferment or for the granting of a priority certificate for any rationed article or commodity.

In view of what has been said by various Members of Congress relative to the activity of those in control of the A. A. A. program, I would not offer any objections to that proviso, but I do object to the general language that was placed in the bill by the committee, which covers every official and employee of the Department.

I cannot see how the House of Representatives can place such restrictions upon 99 percent of the employees of the Department of Agriculture simply to reach 1 percent who they accuse of activities which the Harness amendment proposes to prohibit.

Freedom of expression and the right of petition are guaranteed by the Constitution and the House of Representatives should not attempt by legislation to set aside these guaranties.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I voted for this amendment when it was offered to the bill, and I see no reason for changing my views. Let me say to the gentleman from Missouri that the Hatch Act has not done the business. It was necessary to write this provision into the act in order to correct an evil that has been growing by leaps and bounds. Within the month I have had letters from farm constituents complaining that they could not get an allocation of sufficient gasoline, nor could they get tires, unless they agreed to join the Triple A and the program for crop control.

There is no question but what this provision should stay in the bill. If we vote to take it out, then we lay ourselves open to censure by those who believe that this Government should not be run by petty bureaucrats and crackpots.

Mr. TARVER. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the proviso for placing a restriction on political activities and lobbying activities on those who are on the Federal pay roll,

particularly in the Department of Agriculture, was inserted in this bill by the subcommittee. It was approved by the full committee. It was approved by the action of the House.

The bill went to the Senate. This item was stricken from the bill by the Senate Committee on Agricultural Appropriations. It was reoffered on the Senate floor by Senator DANAHER in slightly revised form. It was voted down on the floor of the Senate—if I may trespass on the rules long enough to get this story before the House—on the 17th day of May, by probably a strict party vote, at least so the RECORD indicates. That is the whole story about this amendment.

Should it remain in the bill or should it be deleted? The chairman of our subcommittee offers a motion that the House further insist on its disagreement. That is the thing we should do. The gentleman from Missouri [Mr. COCHRAN] proposes that we recede and concur. In my judgment that is the thing we should not do.

If we are going to preserve clean politics and develop an atmosphere where we get away from pernicious political activities on the part of any person who has a vested interest in the Federal pay roll because he has a job, then there must be a restriction, similar to that proposed by the subcommittee.

The gentleman says that the Hatch Act applies. That statement was also made in another body. But let me point out to you that on the 6th day of January 1941, Mr. Mastin White, then Solicitor of the Department of Agriculture, said:

It is the opinion of this office, therefore, that the officers, committee members, and employees of the county agricultural conservation associations are not officers or employees of the United States within the meaning of section 9 of the Hatch Act.

From this it would appear that the Hatch Act does not apply to all persons who serve in agricultural functions.

That is the Solicitor's opinion; not mine.

It occurs to me that there ought to be an interdiction on those political activities. We have restrictions, of course, on lobbying the Congress on appropriations, and that sort of thing. That act was put on the books long ago and it is known as the Antilobby Act. It was enacted after the First World War, when a rather surcharged pay-roll lobby attempted to persuade the Congress on every piece of legislation that came along. Too often it is freely violated. There have been some violations.

Here is a photostatic copy of a letter which our investigators obtained from the files of the Department of Agriculture pertaining to the dismissal of Mr. Schooler, regional director of the Agricultural Adjustment Administration for the west central region. He was fired by Chester Davis for those activities. In my office, too, is a file of photostats that we obtained from the Department of Agriculture which indicates many abuses, many meetings, many telegrams sent at Government expense, that seek either to persuade Congress to a course of action, or go into some kind of po-

litical activity against Members of this body.

If we are going to preserve clean politics, then obviously those who have that vested interest in the pay roll should, to some degree, at least, be restricted from operating as sort of a great governmental political machine. I know of no other way to do it effectively in the light of this opinion of the Solicitor of the Department of Agriculture in 1941 than to retain this interdiction in the present bill.

That is the whole story in a nutshell. I hope that the proposal offered by the gentleman from Missouri [Mr. COCHRAN] will not prevail. I trust that the motion made by the gentleman from Georgia, Judge TARVER, chairman of the subcommittee, will prevail, and that the House will insist, and that we get some kind of action on this problem.

An examination of the legislation which has been enacted over the years with respect to elections and the exercise of the voting right indicates the same common pattern, namely, the preservation of the voting right free from influence, domination, interference, or coercion. In fact, the language of the Hatch Act speaks of the right to choose officials without interference. The original Corrupt Practices Act under which candidates for Federal office must file statements of receipts and expenses and the inhibitions against contributions by corporations chartered under Federal law are all designed to keep our elections free and representative and uninfluenced by some dominating influence. In the light of that pattern, why should those who have an interest in the Federal pay roll and in the perpetuation of the administration which provided them with a job not come under some reasonable restriction so that pressure in the form of political activity cannot be exercised to influence the course of an election? This is the very theory of the Hatch Act and since it is impossible for this House to legislate in an appropriation bill, no other course is available than to provide a restriction on the appropriations whereby those engaged in such political activities are prevented from drawing pay out of the Federal Treasury.

When all is said and done, they are the recipients of public funds and, therefore, have no fair right to engage in that type of political activity which, by the letter and spirit of the Hatch Act, has been outlawed. They have their choice. They can leave the Federal pay roll if they like and become politically active. It does not restrict their right to vote; it does not restrict their right to talk politics privately and freely; but political activities in the accepted sense as interpreted by the Civil Service Commission are restricted. That is what this, in fact, does.

Mr. CARLSON of Kansas. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. I think this amendment is for the protection of a large group of people who do not care to be forced into political activity, which they have been, and I do not think that is an idle statement.

Mr. DIRKSEN. The gentleman is exactly right. It is oftentimes so easy for one in a position of authority to impress his will on his subordinates. We can protect those people on the pay roll by preserving this interdiction. When the first vote comes on the motion of the gentleman from Missouri, I hope that it will be voted down and that we will maintain the committee's position.

Mr. TARVER. Mr. Speaker, I yield one-half minute to the gentleman from Kentucky [Mr. SPENCE].

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I ask that the conferees on the part of the House have until midnight tonight to file a conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this act may be cited as the 'stabilization Extension Act of 1944.'

"TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

"TERMINATION DATE

"SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1944' and substituting 'June 30, 1945.'

"AMENDMENT OF SECTION 2 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 102. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-

week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided*, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or

maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area. Whenever the Administrator shall find that, in any defense-rental area or any portion thereof specified by him, the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act in such defense-rental area or portion thereof shall be forthwith abolished; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area or portion thereof, he may forthwith by regulation or order reestablish maximum rents for housing accommodations therein in accordance with the standards set forth in this Act.

"(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Under regulations to be prescribed by the Administrator, he shall provide for the making of individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, and in those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

"(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to

changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however*, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose; and appropriations for such purpose are hereby authorized to be made.

"(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

"(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices, or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

"(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942.

"(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"(k) No regulation, order, or price schedule issued under this Act shall, after the effective date of this subsection, require any seller of goods at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

"(m) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

"AMENDMENT TO SECTION 3 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 103. (a) Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture."

"(b) Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or any fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity."

"AMENDMENTS TO SECTION 201 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 104. (a) Section 201 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

"(b) Section 201 of the Emergency Price Control Act of 1942, as amended, is amended

by adding at the end thereof the following new subsection:

"(e) All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: *Provided*, That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge."

"AMENDMENTS TO SECTION 202 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 105. (a) Section 202 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"SEC. 202. (a) The Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder."

"(b) Section 202 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(i) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

"AMENDMENT OF SECTION 203 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 106. Section 203 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PROCEDURE

"SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice."

"(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202."

"(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,*

That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons or the production of documents, or both. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection."

"(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

"AMENDMENTS TO SECTION 204 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 107. (a) Subsection (c) of section 204 of the Emergency Price Control Act of 1942, as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: 'Two judges shall constitute a quorum of the court and of each division thereof.'

"(b) Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of

the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order, or price schedule, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within 5 days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation, order, or price schedule involved in the proceeding. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

"AMENDMENTS TO SECTION 205 OF EMERGENCY PRICE CONTROL ACT OF 1942

"Sec. 108. (a) The third sentence of subsection (c) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: 'Provided, however, That all suits under subsection (e) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.'

"(b) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within one

year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge or overcharges or \$25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered.

"(c) The amendment made by subsection (b), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within thirty days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this Act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this Act and with respect to proceedings instituted thereafter.

"(d) Subsection (f) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof, inserting a colon and the following: 'Provided, That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942.'

"(e) Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the Act of June

28, 1940, as amended by the Act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this Act. Any action to enjoin or set aside such order shall be brought within five days after the service thereof. No suspension order shall take effect within five days after it is served, or, if an application for a stay is made to the Administrator within such five-day period, until the expiration of five days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

"TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

"AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"Sec. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: 'Provided, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section.'

"(b) Section 3 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

"AMENDMENT TO SECTION 4 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"Sec. 202. Section 4 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

"TERMINATION DATE

"SEC. 203. Section 6 of such Act of October 2, 1942, as amended, is amended by striking out 'June 30, 1944' and substituting 'June 30, 1945'."

"AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 204. Section 8 (a) (1) of such Act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out 'at the rate of 90 per centum of the parity price' and inserting in lieu thereof 'at the rate in the case of cotton of 92½ per centum, and at the rate in the case of the other commodities of 90 per centum, of the parity price'. The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made."

"SHORT TITLE

"SEC. 205. Such act of October 2, 1942, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 12. This act may be cited as the 'Stabilization Act of 1942.'"

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WILLIAM B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
RALPH A. GAMBLE,

Managers on the part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
FRANCIS MALONEY,
J. H. BANKHEAD,
JOHN A. DANAHY,
CHAS. A. TOBEY,
ROBERT TAFT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause, and inserted a substitute. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

All differences between the House amendment and the proposed conference substitute are explained in the following statement, except for minor clarifying changes, and incidental changes made necessary by reason of agreements reached by the committee of conference.

SHORT TITLE

The Senate bill contained a short title, the Stabilization Extension Act of 1944, to the legislation here proposed to be enacted. The House amendment contained no such provision. This provision has been included as the first section of the conference substitute.

PERIOD OF EXTENSION OF PRESENT LAW

The Senate bill provided for extending the period of operation of the Emergency Price Control Act of 1942 until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

The Senate bill provided for extending the period of operation of the Stabilization Act of October 2, 1942, until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

AMENDMENTS TO SECTION 2 OF THE EMERGENCY PRICE CONTROL ACT OF 1942

Section 2 of the Emergency Price Control Act of 1942, which grants to the Price Administrator his basic power to establish maximum prices and maximum rents, and which contains standards and limitations applicable to the exercise of the authority to fix maximum prices and maximum rents, was amended by the House amendment in a number of respects. It was also amended by the Senate bill.

Fixing of profits: The House amendment added to section 2 (a) of the Emergency Price Control Act of 1942 a proviso as follows:

"Provided further, That this Act shall not be construed or interpreted in such a way as to give to the Administrator the right to fix profits where such action has no relation to price control."

This proviso has been omitted from the conference substitute. It was felt that it contained a clear and undesirable implication that the Price Administrator would have the power to fix profits where such action had a relation to price control. Apart from this implication, the provision was believed to be surplusage, since the Price Administrator does not now have the authority to fix profits, as such, under any circumstances, and will not have such authority after the enactment of the legislation here proposed.

Rent adjustments: The House amendment added to section 2 (c) of the Emergency Price Control Act of 1942, a new sentence as follows:

"The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, including those cases in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs, or in which the rent is less than the total costs of operation, or in multiple-unit prem-

ises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises."

This sentence has been retained in the conference substitute, but it has been modified. The first part of the sentence remains the same as it was in the House amendment except for the addition, at the beginning, of the words "Under regulations to be prescribed by him," but the latter part, beginning with the word "including", has been changed to require the Price Administrator to provide for the making of individual adjustments, under regulations to be prescribed by him, in—

"those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs."

Discontinuance of rent controls: The House amendment added to section 2 (c) of the Emergency Price Control Act of 1942 a provision requiring the Price Administrator to abolish rent controls upon the making of certain specified findings indicating that the need for the maintenance of such controls no longer existed, but provided that such controls could be reestablished whenever in his judgment such action was necessary or proper in order to effectuate the purposes of the Emergency Price Control Act. As adopted by the House, this provision might have been subject to the interpretation that it applied only where the finding could be made with respect to an entire defense rental area, or, possibly, with respect to all defense rental areas. The provision has been included in the conference substitute, but has been modified so as to make it clear that it applies for purposes of removal of rent controls where the finding can be made with respect to any defense-rental area, or with respect to any portion of a defense-rental area specified by the Price Administrator, and a corresponding authority to reestablish rent controls where necessary is also included. The conference substitute provides for inserting this provision in section 2 (b) of the present act rather than in section 2 (c).

Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards: The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 a proviso as follows:

"Provided further, That from and after the enactment of this Act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the Act of October 2, 1942 (Public Law 729, 77th Congress). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law."

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary

to accomplish the purpose of this amendment.

Making of subsidy payments after June 30, 1945: The Senate bill contained a provision, not included in the House amendment, adding to section 2 (e) of the Emergency Price Control Act of 1942 a new paragraph as follows:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

This provision has been included in the conference substitute, but in order to remove any doubt which might exist as to authority for the making of the appropriations for use after June 30, 1945, contemplated by the provision, additional language authorizing such appropriations has been included.

Authority to compel changes in business practices established in any industry: The House amendment rewrote section 2 (h) of the Emergency Price Control Act of 1942 to read as follows:

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices."

In addition to inserting the words "or changes in established rental practices" the change made by the House in the existing provision was to delete the exception which permitted the Price Administrator to compel changes of the character referred to in order to prevent circumvention or evasion of any regulation, order, price schedule, or other requirement under the act. The exception is restored in the conference substitute with a change imposing a limitation on the authority of the Price Administrator which is not contained in existing law. With this change the Administrator will have authority to compel such changes only in cases where he has affirmatively found such action to be necessary to prevent circumvention or evasion of a regulation, order, price schedule or other requirement under the act.

Maximum prices in the case of fishery commodities: The Emergency Price Control Act of 1942 provides in section 2 (i) that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941. The conference substitute modifies this subsection by striking out "1941" and inserting "1942."

Grade labeling and standardization of commodities: As extended by the conference substitute, the Price Control Act includes without change section 2 (j), which was added by the act of July 16, 1943, to prohibit grade labeling and to restrict the employment in pricing of specifications or standards not previously in general use. Since the managers on the part of the House, in presenting the amendment to the House last July, specifically explained its meaning and purposes, there is no reason for further congressional revision of this part of the law. As stated at the time, each of the specific prohibitions in section 2 (j) is to be applied in price control, and none of them may be disregarded. Accordingly, although other subdivisions of section 2 have been revised by the bill here under consideration, this subsection (j) has been left unchanged.

Adjustments in maximum prices and maximum rents where necessary to correct gross inequities: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (k), as follows:

"(k) The Administrator shall, without regard to the limitations contained in this Act or the Stabilization Act of 1942, adjust any maximum price or rent to the extent that it may be necessary to correct gross inequities."

This subsection has not been retained in the conference substitute.

Highest price line restriction: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (l) as follows:

"(l) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent, or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any one time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect."

This provision is retained in the conference substitute with certain changes. The only substantial change which has been made, aside from changes for the purpose of clarification, is to limit it so that the prohibition against the highest price line limitation applies only in the case of sellers of goods at retail. Regulations, orders, or price schedules heretofore issued, insofar as they are inconsistent with this subsection, will become inoperative.

Property sold under court order: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (m) as follows:

"(m) No maximum price shall be fixed or maintained upon any article of property, of whatsoever character, which is sold by any administrator, executor, trustee, receiver, or other officer of any court, which is sold under the order or decree of such court."

This subsection has not been included in the conference substitute. The committee of conference believed it unwise to completely exempt from price control all sales of the character referred to in the amendment. Most such sales are now exempt by administrative action, and, it is assumed, will continue to be, but it is considered desirable to permit the Price Administrator to continue to apply price ceilings in those exceptional cases where it is necessary to do so in order to effectuate the purposes of the act.

Notice to growers prior to planting season: The House amendment added to section 2 of the Emergency Price Control Act a new subsection as follows:

"(n) Before any maximum price ceiling is established or lowered, on any agricultural commodity, the Administrator of the Office of Price Administration, or such Federal agency as he may direct, shall give to the growers of the said agricultural commodity 15 days' notice, by newspaper or otherwise, prior to the normal planting season in the areas affected."

This subsection has been modified in the conference substitute so that it reads as follows:

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the

normal planting season occurs prior to July 31, 1944."

Exemption of watermelons from maximum price regulation: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (o) as follows:

"(o) No maximum price shall be established or maintained under this Act or otherwise, with respect to watermelons."

This subsection has not been included in the conference substitute. The committee of conference considered it undesirable to provide for an absolute exemption from price control in the case of one specified commodity.

Relief through declaratory judgment procedure in case of certain unauthorized acts of Government officers, employees, or agencies: The Senate bill added to section 2 of the Emergency Price Control Act of 1942 a new subsection as follows:

"(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

This provision is included in the conference substitute, as new subsection (m) of section 2 of the Emergency Price Control Act of 1942.

Adjustments in maximum prices for fresh fruits and fresh vegetables: The House amendment added at the end of section 3 of the Emergency Price Control Act of 1942 a new subsection as follows:

"(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity."

The Senate bill, in section 205, contained an amendment to section 3 of the Stabilization Act of October 2, 1942, dealing with the same subject matter as the House amendment above quoted, but it contained the words "including potatoes". The House provision is included in the conference substitute, the only change being that the word "any" has been inserted before the words "fresh vegetable". The adoption of the House provision rather than that of the Senate should not be construed to indicate that potatoes are not to be considered to be a fresh

vegetable. That question should be determined without regard to this difference between the Senate and House provisions.

Expenditures by the Price Administrator: The Senate bill contained an amendment to section 201 (c) of the Emergency Price Control Act inserting language authorizing the Price Administrator to make expenditures "for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules". No such provision was included in the House amendment.

This provision is included in the conference substitute. It is believed that the authority to make purchases provided for by this amendment is necessary, and the Office of Price Administration has stated that similar authority is possessed by every comparable enforcement agency.

Right of person subpoenaed to be represented by counsel and to make a record of testimony: The House amendment contained two amendments to section 202 of the Emergency Price Control Act of 1942.

The first amendment inserted the words "to conduct such hearings" in subsection (a) of section 202. This amendment is retained with clerical changes in the conference substitute.

The other amendment added to section 202 a new subsection as follows:

"(1) Any person subpoenaed under this section shall have the right to be represented by counsel and to make a record of such study, hearing, and investigation in which he may be called upon to testify; and, upon his request, such study, hearing, and investigation, shall be public."

This subsection has been modified as it appears in the conference substitute so that it reads as follows:

"(1) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

It is believed that this subsection, as modified, accomplishes the principal objective intended, without being subject to objections which were raised with respect to the subsection as it passed the House.

PROTEST PROCEDURE

Both the Senate bill and the House amendment made changes in section 203 of the Emergency Price Control Act relating to filing and consideration of protests setting forth objections to price and rent regulations and orders, and price schedules.

Under the present law a person affected by a regulation or order issued under section 2 may contest such regulation or order by the filing of a protest with the Administrator within 60 days after the issuance of the regulation or order. After the expiration of such 60 days there is no method by which the regulation or order may be contested except where the protest is based on grounds arising after the expiration of the 60-day period.

The Senate bill retained the 60-day period but provided that during the period of 60 days after June 30, 1944, persons affected by regulations, orders, or price schedules previously issued could file protests with the Administrator. The House amendment removed entirely the 60-day limitation provided by existing law so that a protest could be filed with the Administrator at any time either with respect to new regulations or orders, or regulations, orders, or price schedules which have heretofore become effective. The House provision eliminating the 60-day provision from present law is retained in the conference substitute.

Both the Senate bill and the House amendment proposed to add to section 203 of the Emergency Price Control Act of 1942 a proviso providing for the setting up of a board of review in the Office of Price Administration

to which, upon request of the protestant, any protest is to be referred before it is denied in whole or in part. The protest is to be considered by such board of review and the protestant is to be accorded, among other things, opportunity to present evidence in writing and oral argument before the board. In the Senate bill this procedure was applicable to any protest filed after September 1, 1944. In the House amendment it was made applicable to any protest filed "within 30 days from the effective date of this amendatory proviso." The conference substitute follows the Senate bill on this point.

The House amendment contained the following sentence which was not in the Senate bill:

"Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants, subpoenas shall issue for the appearance of persons, and the production of documents, or both."

This sentence has been retained in the conference substitute, but has been modified to read as follows:

"Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both."

The Administrator may, under this provision, decide in the first instance whether a showing has been made that material facts would be adduced by the use of the subpoena power in a particular case, but his action in so deciding would be subject to appropriate court review.

JUDICIAL REVIEW OF DENIAL OF PROTESTS

Section 204 of the Emergency Price Control Act provides the method by which denials of protests shall be subject to judicial review. The section provides for the creation of a special court to be known as the Emergency Court of Appeals to consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals, and this is the only court to which the protestant has recourse for purposes of judicial review of the action of the Administrator in denying a protest. The judgment of the Emergency Court of Appeals in any such case is subject to review by the United States Supreme Court.

The Senate bill provided for no change in the provisions of present law above referred to. The House amendment, in section 7, contained amendments to such section 204 modifying its provisions so that the protestant could have recourse not only to the Emergency Court of Appeals but also to "the appropriate district court." These amendments also struck out the provision in existing law which denied to the Emergency Court of Appeals the power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2, or any price schedule effective in accordance with the provisions of section 206. The amendments also modified the provisions of section 204 (d). That subsection now provides that the Emergency Court of Appeals and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2 or of any price schedule, and the amendment provided, in addition, for giving to the district courts jurisdiction to determine such question of validity.

The House amendments to section 204 above referred to have not been included in the conference substitute.

STAYS IN ENFORCEMENT PROCEEDINGS

Both the Senate bill and the House amendment amended section 204 of the Emergency Price Control Act by adding a new subsection (e) providing procedure by which enforcement proceedings under section 205 could be stayed pending determination by the Emergency Court of Appeals of the validity of the provision of the regulation, order, or price schedule, violation of which was charged in the enforcement proceeding.

The subsection as included in the conference substitute follows generally the House amendment, but there are certain differences.

Under the House amendment the defendant could apply to the court at any time prior to or within 5 days after judgment for leave to file a complaint in the Emergency Court of Appeals to test the validity of the provision of the order, regulation, or price schedule. Under the Senate bill application had to be filed within 5 days after judgment. The conference substitute permits application to be filed only within 5 days after judgment in civil cases, but in criminal cases application may be filed within 30 days after arraignment, or such additional time as the court may allow for good cause shown, or within 5 days after judgment.

Under the Senate bill the complaint had to be filed in the Emergency Court of Appeals within 30 days from the granting of leave by the lower court. This 30-day limitation was not included in the House amendment. It has been included in the conference substitute. It should be understood that this merely specifies the time within which the complaint must be filed in order that the Emergency Court of Appeals will have jurisdiction, but does not limit in any way the jurisdiction of the court to act upon a complaint filed within such 30-day period.

There has been included at the end of the last sentence of the subsection the following provision which was not contained in the House amendment: "nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

SUITS FOR DAMAGES

Both the Senate bill and the House amendment rewrote subsection (e) of section 205 of the Emergency Price Control Act of 1942, the so-called "treble damage" provision. The differences between existing law and the provision in the House amendment were explained in the report of the House Banking and Currency Committee.

By an amendment on the floor of the House the subsection was modified so that in addition to attorney's fees and costs the amount which could be recovered was the greater of the following: (1) Such amount not more than \$50 or treble the amount of the overcharge, or the overcharges, whichever is greater, upon which the action is based as the court in its discretion may determine, or (2) \$50. In the conference substitute this part of the subsection has been modified so that in addition to attorney's fees and costs the amount which may be recovered is (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine. Under the first clause the buyer of the commodity would be entitled, of course, to recover a minimum of the amount of the overcharge, or the overcharges, for which the action is brought.

There has been added at the end of the provision above referred to a proviso as follows:

"Provided, however, That such amount shall be the amount of the overcharge or the overcharges or \$25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

This proviso has been included at this point in lieu of the proposed new section 205 (g) which the House amendment added to present law. Such subsection (g) would have applied also in the case of criminal proceedings and suits for suspension of a license. There appeared to be no need to apply the provision to criminal proceedings because a conviction may be obtained only in cases of willful violations under the present provisions of the Act.

The Senate bill added to section 205 (e) a new sentence as follows:

"Notwithstanding any provision of this Act, the Emergency Price Control Act of 1942, or the amendment thereto of Act October 2, 1942 (Public Law 729 Seventy-seventh Congress), all suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent."

No such provision was contained in the House amendment. It has been included in the conference substitute in modified form as a proviso added at the end of the third sentence of section 205 (c).

AMENDMENT TO SECTION 205 (F)

The House amendment amended section 205 (f) of the Emergency Price Control Act of 1942 by adding the following proviso:

"Provided, That, notwithstanding the provisions of section 301 of the Second War Powers Act, 1942, or any other law, no such license shall be suspended in any other manner, for any other cause, or for a longer period of time, than provided in this subsection, and no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to any provision of law other than the provisions of this Act or of the Stabilization Act of October 2, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or under the Stabilization Act of October 2, 1942."

This provision has been included in the conference substitute with modifications so that it reads as follows:

"Provided, That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942."

REVIEW OF RATIONING SUSPENSION ORDERS

The Senate bill included a proposed new subsection to be added at the end of section 205 of the Emergency Price Control Act of 1942, as follows:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this act. Any action to enjoin or set aside such order shall be brought within 5 days

after the service thereof. No suspension order shall take effect within 5 days after it is served, or, if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

This subsection has been included in the conference substitute.

AMENDMENT TO SECTION 1 OF THE STABILIZATION ACT

The House amendment amended the first section of the Stabilization Act of October 2, 1942, so as to make it mandatory that the President exercise the authority which he now has under that act to provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities. This provision is not retained in the conference substitute.

MAXIMUM PRICES FOR AGRICULTURAL COMMODITIES AND THEIR PRODUCTS

The House amendment inserted in section 3 of the Stabilization Act of October 2, 1942, a new proviso as follows:

"Provided, That the maximum price so established may be charged or collected by the processor or manufacturer only when the producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to thirty days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 per centum of the maximum price so established."

This provision is not retained in the conference substitute, as there are other provisions in the conference substitute which are designed to assure that producers of agricultural commodities receive the prices specified in this provision.

The Senate amendment added to section 3 of the Stabilization Act of October 2, 1942, a new paragraph containing a specific formula for the establishment of maximum prices for textile products processed or manufactured in whole or in substantial part from cotton or cotton yarn. This paragraph also provided that the method now used for the purposes of Commodity Credit Corporation loans for determining the parity price or its equivalent for cotton should also be used for price-control purposes. The conference substitute omits the formula which was contained in the Senate bill for fixing maximum prices for cotton textiles, but it retains the provision relating to the method of determining the parity price or its equivalent for cotton. This provision, along with the provisions which are designed to assure producers of commodities prices equal to the standards specified in the Stabilization Act, is contained in the new provisions which are added by the conference substitute at the end of section 3 of the Stabilization Act as follows:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major

part from cotton or cotton yarn) of this Act."

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the Act entitled 'An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity)."

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

LOAN RATE FOR AGRICULTURAL COMMODITIES

The Senate bill contained provisions, not in the House amendment, increasing the basic loan rate for cotton, corn, wheat, rice, tobacco, and peanuts from the 90 percent provided in existing law to a new rate of 95 percent of the parity price. This section also made a corresponding increase from 90 to 95 percent of the parity or comparable price in the case of price-supporting operations for nonbasic agricultural commodities. The conference substitute retained only so much of this provision as relates to an increase in the loan rate for cotton and provides that, in the case of cotton, the new loan rate shall be 92½ percent of the parity price.

CONTINUING INVESTIGATIONS OF THE STABILIZATION PROGRAM

The House amendment added a section to the Stabilization Act of October 2, 1942, providing that the Committees on Banking and Currency of the Senate and the House of Representatives, respectively, should be authorized to conduct investigations of stabilization activities and the effect of such activities on industry, production, renting and housing, and distribution. The conference substitute does not retain this provision.

BRENT SPENCE,
PAUL BROWN,
WM. B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
F. L. CRAWFORD,
RALPH A. GAMBLE.

Managers on the part of the House.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1945

Mr. TARVER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, I am very proud to say that when the Hatch Act was before this House I voted against it and spoke against it. I thought at that time that it was one of the most peculiar pieces of demagoguery and hypocrisy that had ever been brought into this body. There is not a man in this body that some time or another in ad-

dressing the Kiwanis Clubs or high school graduation exercises has not said it is the duty of every citizen to participate in the politics of this country. Yet you would cut off a large segment of our population from taking part in the body politic. Why not cut out the farmers, who receive subsidies and other moneys from the Government? Why not cut out those people who work on the roads, who also receive their checks from the United States Treasury? Let us not adopt a holier-than-thou attitude. Let us be practical and give to every American citizen the right to have an active say in his own Government.

Mr. TARVER. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Speaker, I doubt if there is a single man or woman in this House who will condone the practice of some of the Triple-A agents in the field of saying to the farmers of this country, "If you want draft deferments or if you want a rationed article or commodity, you must join the Triple-A program whether you believe in it or not." That is reprehensible, and you agree with me when I say that. This amendment will stop that practice. If you want to protect this Triple-A program and the honest men and women who are participating in it, you had better go along with this amendment.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Illinois.

Mr. DIRKSEN. May I say for clarification that when the Senate struck out the so-called antilobby provision it also struck out the amendment offered by the gentleman from Indiana on the floor, which he refers to at the present time.

Mr. HARNESS of Indiana. That is right.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Missouri.

Mr. COCHRAN. Is this confined to the Triple A program?

Mr. HARNESS of Indiana. Yes.

Mr. COCHRAN. Then why does not the gentleman offer a motion to recede and concur with an amendment and apply it to the Triple A alone?

Mr. HARNESS of Indiana. This applies to the Triple A program in the Agricultural appropriation bill. It is the only way that I know you can reach it.

Mr. COCHRAN. On the other hand, you are penalizing every other employee.

Mr. HARNESS of Indiana. You are not penalizing anyone unless they violate the law. My good friend, the gentleman from Georgia [Mr. RAMSPECK], awhile ago said, "Why do you want to penalize all of the employees of the Agricultural Department?" This does not do that at all. It is not going to penalize a single individual unless he indulges in the practice that we are denouncing here today.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Georgia.

Mr. RAMSPECK. If the gentleman will make his amendment apply the

Hatch Act to the people whom the gentleman from Illinois [Mr. DIRKSEN] says are not covered, I will vote with him, but he is applying this penalty, which goes far beyond the Hatch Act as I understand it, to a group of people who the gentleman does not even claim have attempted to violate any regulation at all.

Mr. HARNESS of Indiana. The gentleman is such an astute lawyer that he knows that statement is incorrect. He knows that this does not apply to anyone except that small group throughout the country who have been violating the law. The Triple A program has agents in every county in the United States. In the 10 counties that I represent, every county has an organization of the Triple A. Most of these men are good, honest, conscientious people who would not indulge in this practice. We have a few, however, in my district and in other districts, who have been forcing the Triple A program on unwilling farmers who apply for draft deferment and rationed farm machinery or gasoline. These are the men we want to reach by this amendment. We have taken it up with the heads of the agencies, as the gentleman from Missouri suggested awhile ago. They appear to be helpless in the matter. They say, "We did not know this was going on, but how are we going to stop it?" This amendment will stop it, and I hope you will vote down the motion offered by the gentleman from Missouri.

Mr. TARVER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks in the Record.)

Mr. MURRAY of Wisconsin. Mr. Speaker, the average man working for increased food production, and I do not care whether he is an A. A. A. man or any other man with an Agricultural Extension position, does not care to be mixed up in partisan politics. He may have his opinions and he is entitled to them just as much as anyone here has to his political opinions. The great majority of these men do not want to be involved in partisan politics. The reason I supported this measure when it was here on the floor before is that from my observation I am convinced that the little fellow does not care to be in politics. He has been following bad advice from a superior or from superiors.

Mr. Dodd has made every effort to prevent politics in his department. Mr. Evans, the A. A. A. Administrator before Mr. Dodd, was also opposed to political activities. A few men have no doubt become involved in political activities and have not cooperated with other Federal agencies working for increased food production.

What do you suppose is the reason given for noncooperation?

The answer every time—and I believe them, for they are men I have known—was that they got the order from on high, so they should not be criticized for doing something they had orders to do.

If you pass this amendment, these little fellows that are out in the byways and

the byroads on the farms will not be forced by anyone in a higher office to do things and carry on political activities they do not want to carry on and in which they know they should not be engaged. For that reason, I hope we maintain the position the House took when this agricultural appropriation bill was up for consideration before.

Mr. TARVER. Mr. Speaker, I yield 6 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, may I be permitted to say just a word for those Members of the House who are unfortunate enough to serve on the Committee on Appropriations? And may I say they have been particularly unfortunate in the last 2 years? Their task—always a difficult one—has been especially difficult during the War Congress when all nonwar expenditures were necessarily being reduced or discontinued. It is much easier to give everybody the appropriations they want. It is much more pleasant to be a good fellow and say, "Why, certainly, we will report out your appropriation. How much do you want?" than it is to be a grouch and be always saying, "No, we have to save some of the taxpayers' money. We cannot appropriate everything there is in the Treasury. We must somewhere at some time in some way exercise just a little economy."

That is the primary issue in this amendment. It was the elementary and unavoidable necessity of retrenching nonwar expenditures and reducing nonmilitary appropriations that brought about the situation giving rise to this provision in the bill.

The war has entirely changed our national fiscal system. Before the war when the United States was the richest nation on earth, with enormous resources and vast revenues and the American people entertained a great and growing interest in the social phases of government, we appropriated for all departments an ever-increasing flood of funds and contractual authority. Each year appropriations were higher and expenditures more lavish for innumerable new activities until the totals reached stupendous sums of money.

And every new agency and each additional activity created and financed grew like proverbial trees from little acorns. Each agency and every employee reached out constantly for more money, more authority, wider jurisdiction, more employees, and additional prerogatives. Government budgets mushroomed and pyramided and skyrocketed.

Even before the war we had begun to realize that this could not go on forever; that there must be a limit somewhere; but no stopping place could be found and taxes and expenditures raced each other until we were brought suddenly up against the necessity of diverting all energies and resources to arming the Nation for war. The first war need was money. And the first casualties of the war were the nonwar expenditures. Every expenditure not directly contributory to the war program was cut to the bone.

Bar Association; New York State Bar Association; the Association of the Bar of the city of New York; New York County Lawyers' Association; Pennsylvania Bar Association; Philadelphia Bar Association; Colegio de Abogados de Puerto Rico; Rhode Island Bar Association; State Bar of Texas; Bar Association of Dallas; Houston Bar Association; Virginia State Bar Association.

Special organizations: American Foreign Law Association, American Judicature Society, American Law Institute, American Society of International Law, Customs Bar Association, Federal Bar Association, Kappa Beta Pi Legal Sorority, National Association of Women Lawyers, National Lawyers Guild, Pan American Lawyers Association, Phi Delta Delta Legal Fraternity.

Uruguay: Colegio de Abogados del Uruguay.
Venezuela: Colegio de Abogados del Distrito Federal, Caracas.

PROGRAM OF THIRD CONFERENCE TO BE HELD IN MEXICO CITY JULY 31–AUGUST 8, 1944

July 31: Registration of delegates (registration fee 25 pesos Mexican, \$5.15 American).

July 31, 8:00 p. m.: Opening session, Palacio de Bellas Artes; welcoming address by Minister of Foreign Affairs, Ezequiel Padilla; response, probably by Dr. Edmundo de Miranda Jordao; Presidential address by Sr. Lic. Carlos Sanchez Mejorada; address by mayor of the Federal District.

August 1–4: Committee meetings, 10 a. m., 2 p. m., Castillo de Chapultepec.

COMMITTEES

1. Committee on immigration, nationality and naturalization.
2. Section on intellectual and industrial property: Committee on intellectual property, committee on patents and trade marks.
3. Committee on taxation.
4. Committee on administrative law and procedure.
5. Committee on commercial treaties and customs law: Subcommittee on commercial treaties, subcommittee on customs law.
6. Committee on national centers of legal documentation and bibliographical indexes of law materials.
7. Section on legal education.
8. Committee on comparative constitutional law.
9. Section on comparison of civil and commercial law: Committee on law of trusts and trustees, committee on unification or coordination of legislation relative to civil status of persons.
10. Committee on communications.
11. Committee on industrial, economic and social legislation.
12. Committee on penal law and procedure.
13. Committee on territorial waters and ocean fisheries.
14. Committee on post-war problems.

August 5–6: Week-end trips to Cuernavaca, Taxco, Teotihuacan or Fortin.

August 7: Closing business session, 10 a. m.–2 p. m. Palacio de Bellas Artes.

August 8: Winal plenary session, Palacio de Bellas Artes.

It is expected that there will be a reception for delegates by Sr. Lic. Ezequiel Padilla, Minister of Foreign Affairs of Mexico.

It is also expected that there will be a reception by the Chief Justice of Mexico at which the Chief Justice, the ranking judicial guest, and one or two others will speak.

There will be a special session of the section on legal education at which Sr. Lic. Alfonso Noriega, dean of the National Law School of Mexico, the Minister of Education, Sr. Jaime Torres Bodet and Mr. James Oliver Murdock, professor of international law at George Washington University, Washington, D. C., will speak.

Contract Settlement Act of 1944

SPEECH OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. MAY. I think there should be some agreement about the time for general debate. Of course, the rule provides that the time is to be equally divided between the chairman of the Committee on the Judiciary and the ranking minority member, as usual.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry. Is this time taken out of the time for general debate?

The CHAIRMAN. The time has not yet been taken from the gentleman from Texas, but if it should develop into a controversy, of course, it would be incumbent upon the Chair so to do.

Mr. MAY. I want to make this statement about the matter of time and the disposition of it.

This subject of contract termination involves something like \$100,000,000,000. It has been a matter of study for 18 months in the House Military Affairs Committee, and that committee reported the first bill that was reported in the House of Representatives on the subject. We made the first application to the Rules Committee for a rule several weeks ago. That application was held up to await what was suggested to be a compromise, or in the hope that there could be some compromise between the various legislative committees.

Generally speaking, war contracts ought to have come to the House Military Affairs Committee. We have studied long and hard on it, and there is an issue here, in fact two of them, which issues are as vital to this country as the question whether somebody is paid on war contracts or not. The first question is whether or not we will fade the agent of the representative of Congress and the taxpayers out of the picture by eliminating the Comptroller General of the United States.

The second question is whether or not the Congress will abdicate its functions to the executive department, over which I have heard so much complaint and argument here.

The CHAIRMAN. Does the gentleman from Texas yield time to the gentleman from Kentucky?

Mr. SUMNERS of Texas. For the purpose of continuing the statement in progress?

The CHAIRMAN. Yes. If so, how much time?

Mr. SUMNERS of Texas. No; I do not at this time yield time to the gentleman from Kentucky. I will be glad to have anything said about it by the gentleman if it is not taken out of the time for general debate.

The CHAIRMAN. Any further time consumed by the gentleman from Kentucky [Mr. MAY] will have to be deducted from the time allowed for general debate.

Mr. MAY. Will the gentleman yield for a unanimous-consent request?

Mr. SUMNERS of Texas. I yield.

Mr. MAY. Mr. Chairman, I ask unanimous consent that the general debate under the rule be extended for 2 hours, and that that 2 hours be granted to the members of the House Military Affairs Committee.

Mr. COOPER. Mr. Chairman, I make the point of order that that is not in order in Committee of the Whole.

The CHAIRMAN. The Chair will state it is without the province of the Committee of the Whole House to extend additional time which has been fixed by the House itself.

Mr. MAY. I so understood it, and I asked the chairman of the Committee on the Judiciary to raise the question while the Speaker was in the chair.

Mr. SUMNERS of Texas. The chairman of the Committee on the Judiciary did not understand any such request.

Mr. MAY. Well, I asked the gentleman right here.

Mr. SUMNERS of Texas. Well, why did you not make the request, anyway?

Mr. MAY. The gentleman said, "Never mind."

Mr. MICHENER. Mr. Chairman, a point of order. Who has the floor?

The CHAIRMAN. The time is running against the time that has been allotted, from this time on.

Mr. MAY. Will you let me have any of the time, subject to my control?

Mr. SUMNERS of Texas. I will yield myself 5 minutes at this time.

C. I. O. Political Action Committee

EXTENSION OF REMARKS OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1944

Mr. MASON. Mr. Speaker, under leave to extend my remarks in the Record, I include the following article by Westbrook Pegler from the Washington Daily News of June 20, 1944:

FAIR ENOUGH

(By Westbrook Pegler)

NEW YORK, June 20.—Long-distance telephone records subpoenaed by the Dies committee have revealed a close relationship between the Political Action Committee of the C. I. O. and the following:

The White House and Mrs. Roosevelt.

Vice President HENRY WALLACE.

The Department of Agriculture.

The Department of Justice, and various regional directors of the Farm Security Ad-

ministration having power to exert strong political and economic pressure on farmers.

Numerous calls to regional F. S. A. offices were made in most cases by C. B. Baldwin, assistant director of the Political Action Committee, who resigned his job as chairman of the F. S. A. in Washington to become actual manager of the P. A. C.'s campaign to elect President Roosevelt for a fourth term and Mr. WALLACE for a second term and to defeat a select list of aspirants for the House of Representatives and the Senate.

Sidney Hillman, P. A. C. chairman, is president of the Amalgamated Clothing Workers, C. I. O., and recently has been denounced by David Dubinsky and other right-wing union radicals, as leader of the Communist Party in New York, now known as the American Labor Party.

Baldwin has held various key jobs in Washington ever since 1933, when he caught on as Assistant Secretary of Agriculture under Wallace. He became director of the Farm Security Administration in October 1940. The phone calls indicate a strong continuing interest and influence in the F. S. A., while he is on leave serving with the political leader of the New York Communist faction of the union movement.

The slips showed 28 calls from the New York headquarters of the C. I. O.'s Political Action Committee direct to the White House, including one from Hillman to Mrs. Roosevelt, and another from Hillman to David Niles, formerly Nyhus, of Boston, one of the President's selfless assistants with a passion for anonymity and for left-wing politics. Hillman also called Vice President Wallace. Baldwin is recorded as having made three calls to Wallace's office.

The Hillman-Baldwin-Communist group of the C. I. O. has defeated for renomination both MARTIN DIES, of Texas, and JOE STARNES, of Alabama. STARNES is a member of the Dies committee.

Records show, according to the Dies committee, "hundreds" of calls from the P. A. C.'s New York headquarters to various Government officials, particularly in the Department of Justice, and in the Department of Agriculture, which controls the Farm Security Administration and the fortunes of many farmers through its local agents scattered everywhere.

Let's Get Tough

EXTENSION OF REMARKS OF

HON. THOMAS D. WINTER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1944

Mr. WINTER. Mr. Speaker, ever since our Nation went to war, I have felt the citizens of the United States should have a national battle cry, which would unify all of the people solidly behind the supreme effort of quickly defeating the Axis Powers, and then help place our national economic and social house in order.

I shall not take time to enumerate the different famous battle calls which caused Americans to act as one to quickly accomplish a difficult national task in a time of a great national crisis. History books are replete with them.

Just recently I came across a sentiment which to my mind, and I am sure to the minds of millions of my fellow

citizens once they hear it, could properly express what we Americans must do in order to get this war over quickly and restore and keep restored a constructive peace.

This sentiment came to me in the shape of a published song, whose title would make a wonderful battle cry for our armed forces and for every citizen of these United States who appreciates the blessings of his citizenship and wants them preserved.

The name of this song is "Let's Get Tough," and, to my great surprise, it was written by a young mother of two small children as a protest against the horrors of war and as a mother's appeal to get it over quickly. When the American mothers admonish us to "get tough" it is time to act.

I do not personally know the author or publisher. I do not have any direct or indirect interest in this song, whose title should be the battle cry of our forces abroad, and at home, and all of our American citizens—especially we Members of Congress.

The author's name is Mrs. Claude Hamilton, Jr., of 130 East End Avenue, New York City, N. Y. The publisher is the Shelby Music Publishing Co. of Detroit, Mich. I hope every American service band master and radio program director will make this song a part of their musical portfolio.

The words of this song are very inspiring—but the idea conveyed by the title "Let's Get Tough" is a good and timely one. We citizens of these United States, yes, especially we Members of the National Congress, have been too easy going in connection with many national and international problems. We do not approach them from a "Let's Get Tough" attitude, which is absolutely necessary these days in dealing with a murderous foe abroad and their friends and agents here in this country where we have nursed them along with every civic blessing.

So, I appeal to my colleagues to think it over. "For our boys are fighting and sacrificing, immortalizing history."

I hope my colleagues and their constituents will approach this job of finishing up this war and establishing a truly constructive peace from a "Let's Get Tough" viewpoint.

I am sure if every American says "Let's Get Tough," many of our vexatious, economic, social, and world-wide problems would be minimized or would vanish.

**Hon. Thomas E. Scanlon, of Pennsylvania,
Warns Congress To Keep Price Control**

EXTENSION OF REMARKS OF

HON. SAMUEL A. WEISS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1944

Mr. WEISS. Mr. Speaker, price control is mandatory if we are to hold the line against inflation. One of the lead-

ers in Congress in the battle against inflationary threats and rising prices is my colleague from Pennsylvania the Honorable THOMAS E. SCANLON. As part of my remarks I am happy to include the column of Robert Taylor, Washington correspondent of the Pittsburgh Press, commending Congressman SCANLON for his valiant battle for price control. I include also the editorial which appeared in the Sunday, June 18, issue of the Pittsburgh Press entitled "Me, Too":

MUST KEEP PRICE CONTROL, SCANLON WARNS CONGRESS—PITTSBURGH CITES GALLUP POLL RESULTS, SHOWS MAJORITY OF VOTERS FEAR INFLATION

(By Robert Taylor)

WASHINGTON, June 17.—Representative THOMAS E. SCANLON, Democrat, Pittsburgh, said today that any Congressman or any party that "votes against price control and for inflation" will be accountable to the voters who are almost solidly united for price control.

Mr. SCANLON is chairman of the unofficial congressional committee for the protection of the consumer, which is advocating re-enactment of the emergency price control law, which expires June 30, with no amendments.

The committee is opposing a series of amendments inserted in the pending bill to extend price control, on the ground that they would break price control and hamper efforts of the Office of Price Administration to control prices and enforce ceilings.

"The American people are almost solidly united for price control, as the recent Gallup poll showed," he said. "And they are going to be a lot more important when the votes are counted next fall than the swarm of lobbyists who have been infesting the Halls of Congress during recent weeks seeking added profits for industries already better off than they ever were before."

TEXTILE MILLS PROFITING

Mr. SCANLON said textile mills, beneficiaries of the Bankhead amendment, are making almost 900 percent more profits than they made before the war, and that other plans for amending the O. P. A. bill would increase profits either by raising ceilings or weakening enforcement.

Price rises, he said, would increase living costs, leading to demands for wage increases and strikes which would upset war production. Wage increases would pyramid on price increases to boost the spiral of inflation.

LAST WAR'S INFLATION

"In the last war we paid a sorry price for inflation," he said. "Fixed incomes shrank to 40 cents on the dollar. War costs were increased by 70 percent. And the collapse which followed inflation was tragic beyond belief. Business profits were turned to losses. Business failures rose 40 percent above the pre-war period. Unemployment rose 500,000 and the pay of those who kept their jobs shrank."

The destructive effects of inflation, he added, are potentially greater now because our national income is more than three times what it was in 1918 and the total cost of the last war, including the inflationary part, would pay for only 4½ months of this war.

HOLD LIVING COSTS

Against this kind of pressure, O. P. A. has been able to hold living costs without gain for the past 12 months, he added.

"I, for one, will not, after such an outstanding success and in view of the power of inflationary pressure, vote to take any step that will turn the price line upward again," he said.

ME, TOO

From every corner of the congressional halls, pressure groups are seeking to gain exemption for their own products from the Government's wartime price-control program.

Unable to lick O. P. A. on valid grounds—because, despite all its faults, O. P. A. has prevented the disastrous price inflation of World War No. 1—the enemies of O. P. A. have joined with selfish interests in an effort to outflank the price-control front by chipping off the O. P. A.'s powers to hold costs to some reasonable level.

More than a hundred amendments of every variety have been submitted in the Senate and House to the pending bill to extend the life of O. P. A. Some of these proposals bear merit but most of them are bare-faced attempts to thwart effective price control.

Here, for example, is what some of the amendments—most of them, fortunately, rejected—would do:

Remove all price control from fresh fruits. Exempt watermelons from price ceilings.

Take controls off raw furs.

Guarantee profit equal to that during the pre-war period on all products manufactured from agricultural commodities if a firm's business has suffered because of the war.

Take controls off rough rice.

Base crude-oil prices on parity.

Permit draftees to liquidate their personal property without regard to O. P. A. ceilings.

Abolish price ceilings on all used household goods and farm machinery.

Remove areas and portions of areas from rent control as soon as the districts are no longer defense rental areas.

Prohibit O. P. A. from issuing any order which will deny any merchant a fair, equitable profit.

Exempt from price control all food products except a list of 61 essential items included in the Bureau of Labor Statistics cost-of-living index.

Ease rental eviction restrictions and prevent O. P. A. interference between property owners and tenants as long as they act within State laws.

Prevent O. P. A. from bringing additional food items under price control.

And so on and on.

The men and women at the battle front will may wonder when we on the home front will bury our selfish interests for the common good.

United States Maritime Commission

SPEECH

OF

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1944

Mr. HARNESS of Indiana. Mr. Speaker, on May 23 I addressed a letter to the gentleman from Virginia [Mr. BLAND], chairman of the Committee on Merchant Marine and Fisheries, directing that committee's attention to what my preliminary investigations led me to believe are irregularities in the Procurement Division of the United States Maritime Commission. I urged the committee to undertake a thorough investigation of the situation.

Shortly thereafter, on May 29, I spoke in the House, inviting the attention of the Members to the unusual circumstances existing in the program to pro-

cure adequate, improved type life rafts for our merchant fleet.

The gentleman from Virginia [Mr. BLAND] promptly made inquiry of the United States Maritime Commission regarding the facts and circumstances. Rear Admiral Emory S. Land, Chairman of the United States Maritime Commission, very promptly on June 1 returned special report number 80, upon the subject of the inquiry.

I have complimented Admiral Land upon the prompt and detailed response returned, and for his expressed willingness to cooperate fully in any further investigations which may be found to be warranted. I should like to take the opportunity to repeat those commendations to the members of the House.

At the suggestion of the gentleman from Virginia [Mr. BLAND], I have studied this special report, and am submitting to him for the use of the committee an analysis. It is my belief, after careful study of this report, that it not only fails to dispose of the questions I have raised, but actually confirms the impression that serious irregularities do exist within the Maritime Procurement Division. Not only does this report show that procurement methods have been inefficient and wasteful; it clearly indicates delay and indecision over a prolonged period of almost 18 months, during which the seamen of the American merchant marine have been forced to rely upon old style rafts which have been considered entirely out-moded and inadequate since vastly improved type rafts have been available. Not only have these procurement officials apparently wasted valuable time and public funds, they apparently have displayed a wanton disregard for the safety of these brave seamen who have faced all manner of danger to keep open the life-lines to our many battle fronts.

I submit here the report I have made to the Committee on Merchant Marine and Fisheries through its chairman, the gentleman from Virginia. I earnestly hope the membership of the House will carefully study my report, which is made a part of these remarks:

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 19, 1944.
Hon. SCHUYLER OTIS BLAND,
Chairman, Committee on Merchant
Marine and Fisheries,
House of Representatives,
Washington, D. C.

MY DEAR COLLEAGUE: On May 23 I directed your attention by letter to what I had been led to believe are questionable practices within the Procurement Office of the United States Maritime Commission. Subsequently, on Monday, May 29, I invited public attention to these apparent irregularities within the United States Maritime Commission and the War Shipping Administration in a speech in the House of Representatives.

Admiral Emory S. Land, Chairman of the United States Maritime Commission and the War Shipping Administration, is to be commended for the report he has returned in response to our inquiries into this subject of life raft procurement, and for his expressed willingness to go further into the matter as circumstances may warrant. Had the special report No. 80 by the United States Maritime Commission satisfactorily disposed of the questions raised in my original inquiry, I would have happily dismissed the matter

without regard to the special interests of the Globe American Corporation, its thousand employees and their families, its 589 sub-contractors and their several thousand employees, and the community of Kokomo, Ind., the home of this organization.

This special report, however, not only fails completely to dispose of the questions I raised, but appears, actually, to document the claim that a thorough-going investigation into this phase of Maritime Commission procurement policies and methods is fully warranted. I propose to show in the following analysis that the report, together with Admiral Land's letter of transmittal, reveals: (1) errors, misinterpretation, and omissions, and (2) clear evidence upon the procurement records of disregard of human life, waste, incompetence and delay.

Admiral Land states in his letter of transmittal (p. 945, par. 1) that specification for all life-saving equipment is solely the responsibility of the United States Coast Guard. The assumption is, therefore, that the U. S. M. C. purchases only with Coast Guard approval. Despite the recognized authority of C. G., however, M. C. entered the following contracts for life rafts, which were subsequently canceled because of failure of the product to meet C. G. requirements: Edwards Manufacturing Co., Cincinnati, Ohio, purchase order PD-MC44-24770, November 9, 1943 (p. 951); Colvin-Slocum Boats, Inc., New York, N. Y., purchase orders PD-MC44-27919, January 13, 1944 (p. 953), and MC44-3367, November 16, 1943, (p. 955); Stainless & Steel Products Co., St. Paul, Minn., purchase order PD-MC44-24438, November 24, 1943 (p. 953), presumably canceled. (See item B (5), p. 952.)

Note that all these orders were placed well after the improved Globe all-metal raft had been finally approved, and was in successful volume production. Note the inaccurate explanation given that Globe had no additional production capacity. Note, also, throughout this memorandum instances in which contracts have been awarded to producers with only tentative approval of raft design, and with no known production performance records. Note particularly the group orders placed May 9, 1944 (p. 956), under which 350 untested rafts were purchased from companies with no demonstrated ability to produce according to requirements.

This memorandum throughout reveals that Maritime Commission Procurement officials must have tried by every means over a period of several months to place contracts with almost anyone who offered a bid so as to avoid placing orders with the Globe American Corporation, the company which pioneered in all-metal life rafts. You will note that frequent explanation is made that Globe production capacity was fully employed in the performance of its original contract. That any such claim is absolutely false and unwarranted I am prepared to demonstrate from the records of the company's production, and from the reliable representations made by the company to the U. S. M. C. from time to time since it entered production. These records are available from the company's and, also, from the Commission's files.

Admiral Land, in his letter of transmittal, emphasizes the importance of spreading the production as widely as possible. With this commendable policy no one will take exception. The record will indicate that I have been one of the foremost advocates for spreading Federal procurement just as widely as possible, so as to enlist the capacities of the thousands of America's smaller industries, and to insure that they will not be destroyed in this war emergency.

Admiral Land is unquestionably right in stating it as fixed policy that we must spread the work to minimize possible interruptions by strikes, break-downs, etc. But when we consider this question of distributing

contracts, we ought to consider all the important factors. Will you please ask the M. C. Procurement Division if its first concern in this instance has been in spreading the work, or in getting the best possible life-saving equipment aboard our merchant vessels in the shortest possible time? Is the prime responsibility to save the greatest possible number of industries in the order of their ability to bring pressure through their Washington lobbies, or is it to save the greatest possible number of lives of imperilled American seamen? Is the Maritime Procurement Office supposed to be a glorified wartime W. P. A., or is it supposed to buy the very most it can get for the American taxpayers' money with which it has been entrusted?

Finally, is the Maritime Commission Procurement Office supposed to fly in the face of the specific orders and recommendations of the War Production Board and the War Manpower Commission and carry this spread-the-work policy to the point of placing contracts in areas of critical labor shortage which it has deliberately denied to competent producers in areas which have no critical labor problems? Does this spread-the-work policy go to the absurd extreme of shutting down a going producer, who has demonstrated his ability to deliver the goods, who has an established and experienced organization at work in a non-critical labor area, and who has a vast network of subcontractors in that same area, merely to toss new contracts into areas that have the most critical kind of a labor-shortage problem?

Let me refer you again to important facts in this program to procure improved type life rafts for our thousands of merchant vessels. Remember that Globe American Corporation designed, engineered, and developed an all-metal raft that was and is a vast contribution to safety at sea. Remember that actual models of this raft were tested and approved nearly 18 months ago. This special report says that the Maritime Commission very properly sought to establish other sources from which to procure all-steel rafts. With this effort to spread procurement, everyone, including the Globe company, fully agreed. From the very outset of this procurement program, in fact, the record will show that the Globe organization has willingly cooperated in making its design and engineering facilities and its production methods available to the Maritime Commission and to private companies desiring to enter the field of all-steel life-raft production.

Note particularly that the Maritime Commission at the outset of the all-metal raft procurement program allocated an important portion of this business to the Weber Showcase & Fixture Co., Los Angeles, Calif., and directed a large investment of public funds merely to duplicate production facilities already established through private capital and initiative by Globe.

I understand that some \$300,000 of the people's money went into the Weber buildings and machinery, so that company could step into the procurement picture and throw my home-town company and my hundreds of neighbors out of business after they had pioneered the best life raft so far developed.

Note this striking contrast. Whereas this west coast concern has been aided and supported at great expense to the Government and the taxpayers, the Globe organization pioneered and developed the all-metal raft entirely at its own expense.

May I point out again, also, that this western producer copies the Globe designs and specifications exactly; and that its engineers visited the Globe plant to study and copy production methods worked out at no small private expense by the Globe organization. Globe has a real investment in all the engineering and development work necessary to

make available this most advanced of all life rafts. That investment should quite properly be reflected in its prices. On the other hand, the Weber organization, thanks to Globe's pioneering work, has been able to avoid practically all engineering and development costs. Does it not stand to reason that a company operating under such a combination of fortuitous circumstances should be by far the lowest bidder on all-metal rafts in the entire field?

Note, then, the prices at which contracts have been let to this organization. See purchase order MC44-1430, August 13, 1943 (p. 950), base unit price \$1,449 on 900 rafts. See MC44-19037 (p. 950), August 7, 1943, base unit price \$1,549 on 136 rafts. See purchase order MC44-20553, September 2, 1943, base unit price \$1,449 on 160 rafts. Now note the complete price, with full equipment, of \$1,153 per unit paid to Globe on its basic contract, MC43-11758, April 15, 1943 (p. 950). Note that Globe has consistently underbid other potential raft builders, including Weber whenever it has been permitted to enter a bid. Note that on these three listed contracts alone, for a total number of rafts not quite sufficient to equip 1 vessel in 10 in our merchant fleet at its present strength, the Maritime Commission has paid or is paying to Weber well over a half million dollars more money than they could have secured the same identical Globe rafts for from the original designer and producer.

At this point I would like to call attention to two interesting items in the Commission's report. Note that the contracts for wooden rafts to be manufactured by the Peterson Manufacturing Co., Portland, Oreg., and steel rafts from the Weber Showcase and Fixture Co., San Francisco, Calif., dated August 7, 1943 (p. 950), are both at the identical price of \$1,549 per unit. Incidentally, I understand that the Globe bid on this requirement was \$1,175 per complete unit, \$326 below the award figures. The two successful bidders are at widely separated points. They submitted bids on entirely different types of rafts, and for different quantities. Yet, the two contracts were awarded at identical figures. Is this an instance of collusion between these bidders, or did Maritime Commission reconcile differences in the proposals of these two suppliers by direct negotiations?

Note, also, purchase order MC-3380, December 14, 1943 (p. 955), in report of which the name of the successful bidder and the reasons for the award are withheld. In view of the fact that this order was for equipment for ships in production near San Francisco, may we presume that the order went to the Weber Co., which was apparently the nearest approved and recognized bidder? If so, should we not properly inquire how this company was an better prepared to accept orders (at an excess cost, of course, of more than \$300 per unit) than Globe, which then had a large potential reserve capacity to produce?

We come now to a phase of this procurement program in which the Commission implies that the Smaller War Plants Corporation has exercised a determining influence, namely, the spreading of raft procurement as widely as possible. As stated at the outset, everyone without known exception agrees upon the advisability of spreading this work just as widely as practicable. Among the first to recognize the desirability of such work-spreading, and to advance a practicable plan to accomplish this end, was the Globe American Corporation, the Commission's first producer of advanced type rafts. Very early in this procurement program, Globe suggested a subcontract arrangement with companies to be mutually agreed upon, at locations to be determined by the Maritime Commission; Globe to fabricate the all-metal raft components, and the selected subcontractors to assemble and deliver the completed rafts.

If there was a sincere desire to spread work to benefit smaller industries and to insure continuous and uninterrupted supply, here certainly was a logical solution. Any number of small assembly plants right at the points of raft delivery could have been set up successfully under this plan. And under such an arrangement real savings could have been effected, for Globe offered to supply completed rafts on the east and Gulf coasts at \$1,100 per unit, and on the west coast at \$1,200 per unit. As evidence note the following telegram:

MAY 24, 1943.

C. E. WASH, JR.,
Director, Procurement Division,
United States Maritime Commission,
Washington, D. C.

We quote eleven hundred dollars f. o. b. east coast or Gulf plant and twelve hundred dollars f. o. b. west coast plant for additional quantities of improved type life raft which we designed, and agree to subcontract all quantities in excess of 600 per month with responsible subcontractors to be mutually agreed upon and located wherever you wish. These prices subject to revision under our renegotiation agreement and costing Government less than duplicating the \$200,000 tooling and engineering costs with several prime contractors. Total quantity of rafts required do not justify duplication of engineering and tooling expense and wasting 6 months of labor and material in more than one plant. Situation similar to Welin davits which have been procured from one contractor exclusively for equally good and sufficient reasons. Please advise.

ALDEN CHESTER,
Globe American Corporation.

I repeat that if it was the honest purpose of the Commission to divide its procurement program as widely as possible, and to aid smaller industries wherever possible, it must have arbitrarily closed its eyes to the most intelligent and practicable proposal to accomplish this program, which was actually developed and advanced not once, but repeatedly, by the company which pioneered so remarkably in other phases of this entire life-saving program.

Note purchase order MC43-17906 to the Jaeger Furniture Co., Los Angeles, for 110 Taylor wooden rafts at \$1,868.81 per unit. In this instance the Maritime Commission paid almost double the Globe price, or an excess on this small order of \$99,969.10. Without further reference to the comparative merits of the wooden raft and the Globe improved all-metal raft, this seems to be a grossly unwarranted unit price. Grouping all contracts with producers other than Globe prior to the War Shipping Administration replacement order of May 9, 1944, it appears that the Maritime Commission has paid, or is paying, slightly over \$1,000,000 more than the same number of rafts of equal, if not far superior, quality would have cost from Globe.

The Maritime Commission memorandum definitely leaves the impression that Globe production capacity has been fully employed by its original contract. Such is not, and has not been, the case at any time since Globe went into line production in the early fall of 1943. Globe officials have assured me that any time within the past 7 or 8 months that company could have stepped up its production from 500 to 600 rafts monthly to double that figure.

Incidentally, had Globe been awarded additional production, had it been permitted to set up assembly sub-contractors, or had it been given reasonable assurances of orderly extension of its contract, it is reasonable to presume that its contract prices to the Maritime Commission might have been reduced. The company's ability to produce ahead of schedule has been demonstrated repeatedly. I am advised that actual stock piles of rafts

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 22, 1944, for actions of Wednesday, June 21, 1944)

(For staff of the Department only)

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HOUSE

- 1. PRICE CONTROL; RATIONING.** Both Houses agreed to the conference report on S. 1764, the Stabilization Extension Act of 1944 (pp. 6449-53, 6511-5). (For provisions see Digest 115.) Rep. Hays, Ark., commended Rep. Brown's (Ga.) efforts in connection with the cotton problem (p. 6514). This bill will now be sent to the President.
- 2. WAR AGENCIES APPROPRIATION BILL.** Reps. Cannon of Mo., Woodrum, Ludlow, Snyder, Norrell, Rabaut, Johnson of Okla., Taber, Wigglesworth, Lambertson, and Powers were appointed conferees on this bill, H.R. 4879 (p. 6514).
- 3. COCONUT OIL; TAXATION.** Agreed to the Senate correcting amendment to H.R. 4837, to extend for 2 years the suspension of the coconut-oil processing tax (p. 6516). The Senate had passed this bill, which had been reported with the amendment, earlier in the day (pp. 6430, 6445). This bill will now be sent to the President.
- 4. LABOR-FEDERAL SECURITY APPROPRIATION BILL.** Received the conference report on this bill, H.R. 4899 (pp. 6527-8). The report provides, among other things, \$1,500,000 (House, \$1,350,000; Senate, \$1,600,000) for community war services. The items relating to the liquidation of NYA and to migration of workers, WMC, were reported in disagreement.
- 5. FOOD DISTRIBUTION INVESTIGATION.** Rep. Flannagan, Va., discussed the program of the House Farm Marketing Investigation Subcommittee of the House Agriculture Committee and described their "accomplishments thus far" (pp. 6471-3).

without amendment,

6. EDUCATION. Agreed to H.Res. 592, authorizing the Education Committee to study the effect of certain war activities on colleges and universities (pp. 6475-6).
7. INSURANCE. Began debate on the resolution for consideration of H.R. 3270, providing that insurance-business regulation shall remain under State control (pp. 6506-11, 6528-34).
8. FISHERIES; FOOD PRODUCTION. Rep. Auchincloss, N.J., urged allocation of gasoline to professional party boat fishermen in order to aid in food production (pp. 6517-9).
9. PROPERTY REQUISITION. Rep. May, Ky., withdrew his unanimous-consent request for consideration of S. 1749, to extend for 1 year the President's authority to requisition certain articles and materials, after a short discussion (pp. 6526-7).

SENATE

10. WAR DEPARTMENT CIVIL APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 4183 (pp. 6435-6). This bill will now be sent to the President.
11. DRUGS. Finance Committee reported without amendment H.R. 4881, to amend the Internal Revenue Code, the Narcotic Drug Import and Export Act, and the Tariff Act of 1930, to classify a new synthetic drug (S. Rept. 1004) (p. 6430).
12. PERSONNEL. Naval Affairs Committee reported with amendments H.R. 4405, to amend the act approved March 7, 1942, so as to more specifically provide for 'pay,' allotments, and administration pertaining to war casualties and civilian employees of the executive departments, independent establishments, and agencies, during periods of absence from post of duty (S. Rept. 1005) (p. 6430).
13. TRANSPORTATION; TAXATION. Commerce Committee reported without amendment H.R. 4935, to provide for a study of multiple taxation of air commerce (S. Rept. 1026) (p. 6430).
14. HEALTH. Education and Labor Committee reported with amendments H.R. 4624, to consolidate and revise the laws relating to the Public Health Service (S. Rept. 1027) (p. 6430).
15. POLITICAL ACTIVITIES. Agreed to Sen. Green's (R.I.) request that a summary of existing legislation relating to political activities prepared by the special committee to investigate campaign expenditures be printed as S. Doc. 222 (p. 6431).
16. INTERIOR APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 4679, and acted on items in disagreement (pp. 6436-8). Concurred in the House amendments to the synthetic liquid fuel and the Virgin Island agricultural experiment station items. This bill will now be sent to the President.
17. WAR DEPARTMENT MILITARY APPROPRIATION BILL. Passed with amendments this bill, H.R. 4967 (pp. 6431-5, 6441-2, 6513). Agreed to the committee amendment reducing the appropriations by \$1,217,000 by striking out of the bill funds for wild-cattling for oil in Alaska, following Sen. Ferguson's (Mich.) criticism of the Canol Oil Project which is provided for in this bill, and agreed to the committee amendment striking out the House provision that the Secretary of War shall not be authorized to lease, sell, or otherwise dispose of any lands

provided continues to hold such position it shall be classified in grade 9 of the clerical, administrative, and fiscal service under the Classification Act of 1923, as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming for the Senator from North Dakota.

The amendment was agreed to.

Mr. O'MAHONEY. That concludes the amendments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 4861 was read the third time and passed.

Mr. O'MAHONEY. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. NYE, Mr. HOLMAN, and Mr. BURTON conferees on the part of the Senate.

AUTHORIZATION TO FILE REPORT ON DEFICIENCY BILL—STATUS OF APPROPRIATION BILLS

Mr. WAGNER obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator from New York yield to me for a moment in order that I may make a unanimous-consent request to report a bill?

Mr. WAGNER. I yield.

Mr. McKELLAR. I ask unanimous consent to be permitted to file the report on the second deficiency appropriation bill, if the committee finishes it this afternoon, so that it may be considered by the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. Mr. President, may I ask the Senator from Tennessee what is the status of any unfinished appropriation bills at this time, either in conference or in the committee?

Mr. McKELLAR. The Interior Department appropriation bill and the war civil functions bill have both been sent to the President today. It may be possible to get the Agricultural Department appropriation bill through today, and there is a possibility that the State, Justice, and Commerce appropriation bill may be finally disposed of today. The other appropriation bills are getting along very well. The District of Columbia appropriation bill, as the Senator knows, passed the Senate awhile ago. With respect to the war agencies bill, we have had a conference on that, but it has not as yet been concluded. The Labor and Federal Security Agency appropriation bill is now in conference. The Military Establishment appropriation bill has gone to conference, the conferees having been

appointed. We hope to be able to report the second deficiency appropriation bill this afternoon, but hardly in time before adjournment or recess, and so I have asked permission to file the report later today. That is the situation with the appropriation bills.

Mr. BARKLEY. I thank the Senator. Does that reveal the likelihood that all the appropriation bills will be finally disposed of by Friday?

Mr. McKELLAR. I am not so sure about Friday, but unless something untoward happens, I am very hopeful that we can get them through this week.

Mr. BARKLEY. I thank the Senator.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—CONFERENCE REPORT.

Mr. WAGNER. Mr. President, I ask unanimous consent for the present consideration of the conference report on Senate bill 1764, extending the Price Control and Stabilization Acts. Pursuant to the order entered yesterday, I submitted the report later in the day, and it is printed in yesterday's House proceedings at page 6372.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Mr. WAGNER. Mr. President, I desire to explain as briefly as I can the amendments which have been under consideration, and which now are contained in the report. All Senators are aware of the fact that the stabilization extension bill, which I am reporting from conference on behalf of the managers on the part of the Senate, is the product of extended yet intensive consideration. To the protracted hearings and executive sessions of the Banking and Currency Committees of both Houses, and to the many days of debate on the floor of the House and Senate, have now been added 4 long days of deliberation by the conference committee.

The committee was confronted with the task of passing on a total of more than 40 amendments divided between the 2 bills. Very few of these were identical, most of them were important, and all of them presented technical difficulties requiring careful treatment. The House bill included the greater number of amendments, but quite a few of these gave rise to no points of controversy between the Houses or from the standpoint of the executive agencies concerned. For the most part, the work of the committee resolved itself into the business of finding the best possible solution to problems which both Houses had recognized. In this task, amendments, which directly or indirectly, would have permitted inflationary increases in rents or prices were eliminated or drastically revised. Other amendments which would have paralyzed the Price Administrator's

power to enforce his regulations were similarly treated. The resulting changes were numerous, and will, I fear, make this report a long one.

The end product of a give-and-take process always leaves some people disappointed. Some Senators will, I know, be dissatisfied as to certain provisions we have changed, and other Senators will be dissatisfied with other actions. But when allowance is made for such disappointments, I hope the Senate will agree that the bill as reported is an effective measure to protect the earnings and the savings of the American people from the menace of inflation, and that it is, at the same time, a satisfactory answer to justifiable criticisms of the existing law.

Before turning to the specific provisions of the conference agreement, I should explain that the order in which they will be discussed will follow that of the bill. First, the amendments to the Emergency Price Control Act will be considered, and then the amendments to the Stabilization Act. Some of the most controversial of the matters dealt with relate to provisions of the latter act.

With respect to the termination of the two measures, the conference committee adopted the provision in the House bill fixing the terminal dates at June 30, 1945.

SECTION 2

The Senate bill had made no amendments to section 2 (a) of the Emergency Price Control Act, the basic source of authority to establish maximum prices. The conference committee has adopted three of the amendments contained in the House bill. The first of these forbids the Price Administrator from requiring the determination of costs otherwise than in accordance with established accounting methods. This amendment was agreed to because, while imposing a salutary limitation on the Administrator's discretion by denying him authority to prescribe the use of accounting methods conflicting with those methods generally established in the accounting profession, the provision does not restrict the Administrator's discretion in establishing maximum prices or in prescribing the factors to be used in calculating maximum prices.

Section 2 (a) has contained provisions requiring that the Administrator consult with representative members of the industries subject to regulation and with industry advisory committees established in such industries. The conference agreement includes two House provisions making explicit the Administrator's duty to give consideration to the recommendations of the industry members and industry advisory committees with whom he consults.

The basic provision authorizing the establishment of maximum rents contained in section 2 (b) was altered by a single clarifying amendment contained in the House bill. This amendment requires that the Administrator, in making general adjustments in the maximum rents in a particular defense rental area, shall give consideration to the general increases in property taxes and operating costs

which have taken place in that particular area, and not those occurring elsewhere.

The Senate conferees have accepted with minor modifications an amendment to section 2 (c) contained in the House bill, which directs the Administrator to provide by regulation for making individual adjustments in maximum rents in those classes of cases where, due to peculiar circumstances, the rent on the maximum rent date was substantially higher or lower than the rents generally prevailing in the rental area for comparable accommodations. The Senate conferees, however, declined to accept in the House bill an individual adjustment provision which would have opened the door to a flood of applications based on cost increases, and which would have been administratively unworkable and inflationary in effect. In place of this provision a substitute was devised which requires the Administrator to provide by regulation for individual adjustments in classes of cases in which a substantial hardship has resulted since the maximum rent date from substantial and unavoidable increases in taxes and costs. This will permit the Administrator to restrict, by appropriate adjustment provisions, the granting of relief to those cases which are clearly deserving.

A further change has been made in the text of section 2 (b) which makes explicit the duty existing by implication under the present law to release areas from rent control where the need for such control no longer exists. The provision makes mandatory the abolition of control in any defense rental area or portion thereof specified by the Administrator when conditions in such area are found to make rent control unnecessary in order to eliminate abnormal increases in rents and to prevent profiteering and speculative practices resulting from abnormal market conditions caused by congestion. The standards specified for decontrol are in harmony with those specified for the imposition of control, and the amendment also includes a provision authorizing the reestablishment of rent control in decontrolled areas in accordance with those standards.

The differing views with respect to the handling of the subsidy problem which were embodied in the Senate and House bills have been resolved by the adoption of the restrictions contained in both bills. The House bill had forbidden any additional commodity intended to be used as human food from being defined as a strategic or critical material with the result that no new food product may be added to those now being subsidized under the Reconstruction Finance Corporation Act. This provision does not affect existing R. F. C. subsidies nor does it curtail subsidies granted by the Commodity Credit Corporation. As it will be recalled, the Senate bill forbids all subsidy payments after June 30, 1945, unless the money required therefor has been appropriated by the Congress for such purpose. To facilitate the appropriation of moneys for subsidy purposes a further amendment has been adopted which expressly authorizes such appropriations.

The Senate conferees refused to accept the House amendment to section 2 (h) which would have denied to the Administrator the authority to compel changes in business practices in those cases in which such practices were being used as means of circumventing or evading price regulations and where evasion could not be prevented without changing such practices.

The conference agreement does amend section 2 (h) to require the Administrator to make an affirmative finding of the necessity to compel changes in business practices in order to prevent circumvention or evasion.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WAGNER. Does the Senator wish to ask a question?

Mr. WHERRY. Yes.

Mr. WAGNER. I suggest that if I may be allowed to continue I may answer the question which the Senator has in mind. I would prefer to continue with my statement relative to the different amendments. Then I shall be delighted to yield to the Senator, and to the best of my ability, answer any question that he may wish to ask.

Mr. WHERRY. I thank the Senator.

Mr. WAGNER. The conferees have adopted an amendment to section 2 (i). This amendment forbids the establishment of a maximum price for any fishery commodity below its average price in 1942. The base year had previously been 1941. The 1942 base is in line with the current pricing practice of the Office of Price Administration.

The House bill contained a paragraph forbidding the continued use in O. P. A. price regulations of the so-called highest price line limitation. The objections to this provision, which was designed to discourage shifts from lower- to higher-priced lines of goods, had come almost exclusively from retail stores, although the limitation had been applied to other distributors and to producers. The amendment, as embodied in the conference agreement, applies the prohibition only to retail sellers and thereby permits the Administrator to continue to use this method of maintaining the supply of low-priced merchandise at levels where its employment can be both effective for price control and acceptable to business.

A House amendment requiring 15 days' notice in advance of planting before any maximum price is established or lowered on any agricultural commodity, was agreed to after some revision to limit its application to crops planted annually or seasonally, and some revision relating to the manner in which the notice is to be given. This provision will become effective as to 1944 crops in major producing areas in which the normal planting season occurs after July 31, 1944.

The House conferees accepted an amendment in the Senate bill forbidding the imposition of conditions to the payment of subsidies or to purchase agreements relating to agricultural commodities, to the allocation of materials or facilities, or to the fixing of production

or selling quotas for such commodities, if the conditions or penalties are not authorized by the acts (or regulations issued thereunder) applicable to such payments, contracts, allocations, or quotas. Appropriate provision is also made for the judicial review of orders violating this prohibition.

In view of the number of amendments in the House bill which were agreed to by the Senate conferees, it may not be inappropriate to remark that, in addition to insisting upon the revision of a number of the House provisions which were accepted, the Senate conferees declined to accept a number of amendments to section 2 contained in the House bill, among them being provisions exempting judicial sales and watermelons from price control. The House conferees also receded from an amendment which would have compelled the granting of individual adjustments for the correction of gross inequities.

The bill reenacts without change section 2 (j) of the present act, which was added to the act by the Commodity Credit Corporation Act of 1943. This will leave in effect the established construction of that subsection which is that the Price Administrator is authorized to make use of standards of specifications, in establishing maximum prices, in three situations and in those situations only: First, where the standards or specifications have been in general use in the trade or industry affected; second, where they have been promulgated and their use lawfully required by another Government agency; and third, when the Administrator finds that there is no practicable alternative for securing effective price control of the commodity involved. A denial of authority to use standards or specifications in any one of those three situations would seriously impair the price-control program. I make this statement as chairman of the Senate conferees because there is a statement in the report of the House managers which might be understood as being to the contrary, and I want to make clear the understanding of the Senate conferees.

SECTION 3

Section 3 of the Emergency Price Control Act contains special provisions relating to the establishment of maximum prices for agricultural commodities.

Both the Senate and the House bills had contained provisions requiring appropriate price action to be taken by the Administrator where any fresh fruits or vegetable sustained substantial reductions in yield, unusual increases in production costs, or other unusual factors resulting from hazards occurring in connection with the production and marketing of the commodity. The Senate conferees agreed to the House amendment.

SECTION 201. ADMINISTRATION

The House conferees accepted a Senate amendment to section 201 authorizing the purchase of commodities for information or evidence as to violations of price, rent, and rationing regulations, a provision removing what had long proved a handicap to effective enforcement.

The House amendment requiring the publication in the Federal Register of the formal written directives of Government agencies or officers, issued in the exercise of supervisory or policy-making powers over O. P. A., W. F. A., and W. P. B., was agreed to by the Senate conferees. These documents embody matter of great public importance and interest and clearly merit inclusion in the official publication. An appropriate exception is made to prevent the divulging of secret military information.

SECTION 202

The Senate conferees also agreed to a House amendment to Section 202 (a) giving explicit authority to the Administration to conduct hearings in aid of the administration and enforcement of the act and to an amendment adding a new subsection (i) to section 202 which assures to any person subpoenaed under the section the right to counsel and to make a record of his testimony. The House conferees agreed to the elimination of a further provision which would have required that the proceedings be public. This unusual requirement was considered incompatible with effective investigation of suspected violations.

SECTION 203. PROCEDURE

The Senate conferees accepted a House amendment withdrawing the requirement heretofore made that protests be filed within 60 days after the issuance of a regulation or after new grounds of protest had arisen. Under the amendment to section 203 (a), protests to regulations may be filed with the Administration at any time.

The Senate conferees also agreed to an amendment, added by the House bill, to the provision made in both bills for the consideration of protests to O. P. A. regulations by an administrative review board advisory to the Administrator. The House amendment makes clear that the board or any subcommittee thereof may sit outside the District of Columbia. It also provides for the issuance of subpoenas upon the request of protestants and a proper showing of the need therefor. Protestants will thereby be aided in obtaining material facts for inclusion in rebuttal evidence which they are entitled to submit in writing to the board. Every protestant is also assured an opportunity for oral argument before the board and to be informed of the board's recommendations and of the Administrator's reasons for rejecting them should he do so.

Both bills contained identical provisions authorizing judicial relief wherever the Administrator may fail to act on protests within a reasonable time after filing.

SECTION 204

Both bills contained a provision, requested by the Chief Judge of the Emergency Court of Appeals, providing that two judges should constitute a quorum of the court and of each division thereof.

Both bills also contained provisions for the stay of enforcement proceedings in cases where other proceedings were pending to determine the validity of the regulations under which the enforcement cases had been brought. However, these provisions varied in certain re-

spects. After extended and careful consideration, the conferees of both Houses agreed upon a revision. As revised, the provision agreed to provide for stays in enforcement cases where the trial court has granted leave to the defendant to file a complaint in the Emergency Court of Appeals setting forth his objections to the validity of any provision which he is alleged to have violated, provided the court finds the objection is made in good faith and there is reasonable and substantial excuse for the defendant's failure to present it in a protest to the Administrator. Where leave to complain is granted, the procedure to be followed by the emergency court is, it should be explained, analogous to that followed by it in reviewing denials of protests.

The provision also requires a stay during the pendency of any protest which had been filed by the defendant before the enforcement proceeding against him was begun if the court finds that his objections to the regulation protested have been made in good faith.

Stays are also provided for during the pendency of any judicial proceeding instituted by the defendant with respect to any protest as to which the required finding has been made or any complaint filed pursuant to leave granted by the court.

Leaves to complain may be applied for only within 30 days after arraignment in criminal proceedings—unless the court allows a longer period for good cause shown—and within 5 days after judgment in any civil or criminal proceeding. Moreover, where no leave is applied for but instead the defendant asks for a stay because of the pendency of a protest, the stay will be granted in civil cases only after judgment.

Where a stay is granted in an injunction suit, the court is expressly required to issue a temporary injunction enjoining violations by the defendant during the period of the stay.

The Price Administrator has expressed great concern lest the right accorded by this procedure be abused by defendants resorting to protests and leaves to complain as a means of deferring or even avoiding the trial of criminal cases and of staying the execution of judgment in civil proceedings. But the procedure provided in the amendment does not represent a regular method to be followed in enforcement cases. Rather, it is an exceptional procedure which has been made available to avoid the risk of injustice that existed under the original act under which a defendant who had excusably failed to file a protest within the strict time limits the act allowed, might be denied any opportunity to question the validity of the regulation which he was charged with violating. The remedial procedure prescribed by the conference committee is available only to defendants whose objections the courts find have been made in good faith, and not primarily for the purpose of delay. The committee is confident that the courts will be vigilant in administering the standard of good faith to deny stays to defendants who have not previously availed themselves of the unre-

stricted opportunity to protest but who have been violating regulations on the gamble that, if caught, they could then protest and secure stays of proceedings which would afford them a good chance to avoid trial or the execution of judgment.

SECTION 205

Subsection (c) is amended to require that all damage suits brought under subsection (e) shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.

Both the Senate and the House bills contained different amendments to subsection (e), reducing in appropriate cases the amount of damages recoverable thereunder. The original act set the damages at three times the amount of the overcharge or \$50, whichever was the greater. The conference agreement is designed to provide a range of damages within which the court has discretion to determine the amount recoverable in a given case. The minimum limits of the range are the amount of the overcharge or \$25, whichever is the greater. The maximum limits are three times the amount of the overcharge or \$50, whichever is the greater. As under the original act, the seller is also liable for reasonable attorney's fees and costs.

As a part of the process of readjusting the provisions for damages, the conferees agreed to a substitute for the amendments proposed by both Houses which would afford defense in any civil proceeding to a defendant who showed that his violation was neither willful nor the result of failure to take practicable precautions. The substitute provision would limit the damages recoverable in the event the defendant made such a showing to the minimum range of the damages provided, namely, the amount of the overcharge or \$25, whichever is greater. The amendment receded from had provided that the court might allow the amount of the overcharge to be recovered, so the conference committee's deviation from the provision as adopted is not great.

Two provisions dealing with rationing orders were agreed to. The House provision, as revised by the conferees, forbids the inclusion in orders issued under the Federal rationing legislation of provisions requiring the observance of regulations issued under the Price Control and Stabilization Acts. The Senate provision agreed to contains appropriate provisions for the expeditious review, exclusively in the Federal courts, of orders for suspensions of allocations or denying stays thereof.

AMENDMENTS TO THE STABILIZATION ACT

The Senate conferees agreed to a House amendment to section 3 making mandatory what heretofore had been regarded as a discretionary power on the part of the President to adjust the maximum prices of agricultural commodities to the extent he finds necessary to correct gross inequities. This power, which may be exercised even where it reduces a maximum price below the highest price of the commodity between January 1 and September 15, 1942, has heretofore been

exercised chiefly to effect reductions; but it must also be used to increase maximum prices wherever the President makes the appropriate finding.

The House conferees declined to accept a Senate amendment which would exempt from the operation of the act voluntary increases in wages and salaries not resulting in payments greater than \$37.50 per week. This provision had been criticized not only as incompatible with the wage stabilization policy but also as likely to compel widespread increases in price ceilings.

The provision of the Senate bill making an amendment to section 8 (a) (1) increasing the loan rate on basic commodities to 95 percent of the parity price is modified by the conference agreement to provide only an increase in the rate to 92½ percent in the case of cotton.

The committee agreed to a substitute for the Senate amendment which had proposed a specific formula for the establishment of maximum prices for textile products processed in whole or substantial part from cotton or cotton yarn.

The first sentence of this amendment repeats the requirement of existing law that maximum prices for commodities processed in whole or substantial part from agricultural commodities must reflect the highest of the minimum legal standards for the price of the agricultural commodity, and adds a special requirement applicable to commodities processed in whole or major part from cotton or cotton yarn. The new requirement is that the applicable standard for such commodities should be applied separately for each major item. The requirement of reflection means that the price of the processed commodity must be such that it will not prevent the price of the basic agricultural commodity from reaching the applicable statutory standard for a maximum price on that commodity. When applied separately to particular items processed from cotton or cotton yarn, such as denims, chambrays, or ducks, this will mean that the prices of such items, separately considered, must afford a processing margin which permits producers of the item to pay that standard out of returns on that item. The purpose of confining the applicability of the separate item standard to major items is to assure that at least 80 percent by volume of the cotton consumed shall be covered, because of the belief that the objectives of this section would not be achieved if any lesser portion of the total consumption were covered. It is also designed to exclude comparatively insignificant items which would have no appreciable effect on the price of cotton.

The second sentence of the amendment is designed to achieve the objective of maintaining the prices of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of nonbasic agricultural commodities as to which public announcement has been made under section 4 (a) of the Commodity Credit Corporation Act of 1941 at levels at least as high as the higher of the two prices specified in clauses (1) and (2) of section 3 of the Stabilization Act. The amendment states that objective and directs the President to take all

lawful action, such as purchase and sale or other support operations, to see that it is accomplished.

The substitute retains the original provision of the Senate amendment with respect to the method of determining the parity price for cotton.

Mr. WHERRY. Mr. President, I thank the Senator from New York for his detailed explanation of the report. I should like to ask him to refer back to section 2 (e), and particularly to the action taken which is set out on page 17 of the conference report as submitted to the House. This has to do with "Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards."

The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 an amendment which was not adopted in the Senate. I had contemplated offering the amendment in the committee and then on the floor of the Senate, but that was not done, and the bill went to the House and there it was adopted. The amendment provided:

Provided further, That from and after the enactment of this act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the act of October 2, 1942 (Public Law 729, 77th Cong.). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law.

Mr. WAGNER. I think the Senator has in mind the so-called Kleberg amendment.

Mr. WHERRY. Yes. That amendment was adopted in the House because of the fact that we in the Middle West who produce livestock felt that at times in marketing the livestock the support prices had fallen below the prices established by the Administration. We felt that no maximum ceiling prices should be established by the Office of Price Administration below the support prices, that they should always reflect parity, and that processors should be compelled to certify that all the subsidies they received were reflected through the prices to the producers. That is the only way to assure the producers that they get the subsidy.

Mr. WAGNER. The conferees agreed that it was administratively unworkable as it was, and, secondly, that the Bankhead compromise, which we have accepted, really would take care of the situation.

Mr. WHERRY. I appreciate the remarks of the Senator from New York. What I should like to ask him at this time is this: In the rejection of this amendment by the conference, which had it under consideration, the following language has been used:

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose.

It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

I have quoted the exact language contained in the report.

Mr. WAGNER. That is the statement of the House managers.

Mr. WHERRY. It is the statement of the managers on the part of the House made on the House amendment which has been stricken from the bill, that is the Kleberg amendment. I ask the Senator from New York if that is not correct?

Mr. WAGNER. Yes.

Mr. WHERRY. I appreciate very much what has been done by the conferees, even though the amendment was not left in the bill. I feel it should have been left in it.

Mr. WAGNER. The Senator from Nebraska was himself very successful in his effort.

Mr. WHERRY. The Senator from New York means with respect to the regulatory amendment?

Mr. WAGNER. Yes.

Mr. WHERRY. Of course, the retention of that amendment makes it a better law, and everyone likes it better, and it will be more enforceable. What I wanted to say to the distinguished Senator from New York was that I agree that it is a question of administration. I have always agreed with that contention, and I hope that what really are the instructions on the part of the conferees will be carried into effect by the Office of Price Administration. The language in the statement by the managers on the part of the House is in reality a recommendation in lieu of the amendment. I wanted that to be made clear in the CONGRESSIONAL RECORD.

I desire to thank the conference committee for its consideration of an amendment which it finally struck out, but in the language which is found on page 17 of the statement by the managers on the part of the House they say they agree with the principle of the amendment, and they think its purposes should be effectuated.

Mr. WAGNER. I may say incidentally the conferees were unanimous in their expression on that point.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. SHIPSTEAD subsequently said: Mr. President, I was called out of the Senate Chamber for a few minutes, and while I was absent the conference report on the O. P. A. bill was agreed to without a record vote. I wish to have the RECORD show that I am opposed to the passage

of the bill because of the lack of agricultural safeguarding provisions.

Mr. BARKLEY. Mr. President, I wish to congratulate the able Senator from New York [Mr. WAGNER], the chairman of the Banking and Currency Committee of the Senate, and chairman of the conference committee which has dealt with this very important subject, upon the skill and ability with which he has guided the conference to a consummation which I think will be generally satisfactory, notwithstanding the fact that everyone did not get what he wanted in the bill. That never happens. I think the Senator from New York and the committees of the two Houses and the conference committee have really performed a very constructive piece of work in the long consideration they have given to this legislation.

Mr. WAGNER. Mr. President, I thank the Senator for his complimentary statement, which is not deserved. If it were not for the distinguished majority leader, who is a member of the committee, and the other members of the committee, both Democrats and Republicans, I could have accomplished nothing.

Mr. BARKLEY. I wish my remarks to be construed to include, with the exception of myself, the conferees who worked on this legislation, representing both the House and the Senate, and representing both political parties.

Mr. WAGNER. I thank the Senator.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

NOTICE OF CALL OF THE CALENDAR TOMORROW

Mr. BARKLEY. Mr. President, I wish to advise the Senate that tomorrow, at some convenient time, I hope we may call the calendar for consideration of bills to which there is no objection. I do not think the Senate should recess for any length of time without first calling the calendar, and I think we will find it convenient to do so tomorrow.

IRRIGATION AND RECLAMATION IN RELATION TO DEVELOPMENT OF WATERWAYS—LETTER FROM THE PRESIDENT

Mr. O'MAHONEY. Mr. President, at a meeting of the Commerce Committee today I am advised that the Senator from Louisiana [Mr. OVERTON] read a letter which was addressed to him by the President of the United States dealing with the rivers and harbors bill recently approved by that committee. The letter of the President is of great interest particularly to those who are concerned with the manner in which reclamation and reclamation projects shall be handled in this and other legislation. The matter is of such importance that I feel the letter should be printed at length in the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent that the President's letter addressed to the Senator from Louisiana may be printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 13, 1944.

HON. JOHN H. OVERTON,
United States Senate, Washington, D. C.

DEAR SENATOR OVERTON: I appreciate your letters of May 27 regarding the river and harbor bill and the problems that you are seeking to solve in connection with that measure and the flood-control bill. I am aware of the difficult job that you have undertaken in your work on these bills that deal with important matters of concern to many interests throughout the country and of the statesmanlike perseverance with which you and the members of the Commerce Committee have gone about the task.

The action of the committee with respect to the river and harbor bill is highly gratifying in most respects. I was particularly pleased that the California projects would be protected by your action on the river and harbor bill and suppose that this will be true in the case of the flood-control measure. I am somewhat disturbed, however, by the provision against the construction or acquisition of transmission lines that was inserted in section 6 of the river and harbor bill. I do not clearly see the necessity for this broad restriction, particularly when the Congress would always be asked to appropriate money for any transmission lines that might be planned in connection with these projects, and I foresee that it might unduly hamper the disposition of power in a beneficial manner. I hope that this problem will be given some further attention.

As you yourself recognize, moreover, the problem of the use of the waters of the Missouri River requires further consideration. In my judgment the compromise that you propose does not quite offer the solution. It is my understanding that if navigation facilities were constructed on the main stem of the river, the water required to make them useful might deplete supplies needed for irrigation.

I think that when considering that part of the country in which the laws of nature inexorably accord to the beneficial consumptive use of water a primary role, we must bow to those laws in our plans and legislation to the fullest extent compatible with the full comprehensive development of our streams for the good of the Nation as a whole. Several suggestions have been put forward in the Congress, some as amendments to the river and harbor bill, which have merit in firmly establishing the primary impor-

ance of the beneficial consumptive use of water without requiring any cession of Federal jurisdiction under the commerce clause of the Constitution. I fully agree with you, of course, that any means of solution that may be adopted must be workable and equitable. I realize the immense complexity of the problem, but I hope that you and your colleagues will find a way to work it out within the general confines of these principles.

With kindest personal regards.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States, which was referred to the appropriate committee.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Commodore Andrew F. Carter, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

By Mr. GEORGE, from the Committee on Finance:

Sundry officers for appointment and/or promotion in the United States Public Health Service.

By Mr. WAGNER, from the Committee on Interstate Commerce:

Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946, vice William M. Leiserson.

By Mr. HATCH: From the Committee on Public Lands and Surveys:

William Riddell, of Montana, to be register of the land office at Billings, Mont. (reappointment).

From the Committee on the Judiciary:

Herbert Wechsler, of New York, to be Assistant Attorney General, vice Hugh B. Cox;

Arthur D. Fairbanks, of Colorado, to be United States marshal for the district of Colorado;

Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut;

Frank C. Blackford, of New York, to be United States marshal for the western district of New York;

Thomas N. Curran, of Maine, to be United States marshal for the district of Maine, vice John G. Utterback, resigned; and

Frank C. Bingham, of Alaska, to be United States attorney for division 2 of Alaska, vice Charles J. Clasby, resigned.

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Ralph A. Bard, of Illinois, to be Under Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FARM CREDIT ADMINISTRATION

The Chief Clerk read the nomination of Ivy W. Duggan, of Mississippi, to be Governor for the unexpired term of 6 years from June 15, 1940.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the nominations in the Army may be confirmed en bloc, with the exception of the nomination of Ephraim Franklin Jeffe, under Calendar No. 1423, to be brigadier general. I make an exception in that case at the request of the Senator from Montana [Mr. MURRAY] a member of the Military Affairs Committee, and one or two other Senators who have requested that that nomination go over.

Mr. WHITE. Will the Senator again state what nomination he asks go over?

Mr. BARKLEY. The nomination of Ephraim Franklin Jeffe to be brigadier general, under Calendar No. 1423.

The PRESIDING OFFICER. With the exception of the nomination referred to by the Senator from Kentucky, the nominations in the Army, without objection, are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

That completes the Executive Calendar.

RAYMOND E. McCANSE—NOMINATION RECONSIDERED AND REJECTED

Mr. BARKLEY subsequently said: Mr. President, when we were considering the Executive Calendar, inadvertently the nomination of Raymond E. McCanse to be postmaster at Mount Vernon, Mo., was confirmed. I note that there was an adverse report on that nomination. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered, and that the nomination be rejected, in accordance with the report of the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SIGNING OF THE BILL CONTINUING THE SUGAR ACT OF 1937

Mr. O'MAHONEY. Mr. President, I call to the attention of the Senate the fact that yesterday the President of the United States attached his signature to House Bill 4833 extending the Sugar Act of 1937 for 2 additional years. The fact that the President has signed this bill will be good news to the growers of sugar beets of 20 States. This measure, which will now remain in effect until the end of 1946, has been one of the most successful laws ever enacted by Congress. Not only have the growers of sugar beets benefited but the processors as well.

The fact that the bill continuing the act was passed through both Houses of Congress within a few weeks and with practically no dissent or criticism, is itself testimony that the legislation has been an outstanding achievement of this administration in meeting the many difficult and complicated problems of the sugar industry. Certainly without it the industry could not have survived. The law has successfully balanced complicating interests involving both domestic and foreign trade.

When Representative FLANNAGAN, in the House, and the Senator from Colorado [Mr. JOHNSON] and I in the Senate, introduced the bills this year to continue the act, the proposal received support from every factor of the industry. Not only were the growers of beets in favor of the continuance of the law as expressed by the formal resolution of the National Beet Growers Association, but the refiners of sugarcane in the United States also endorsed the measure. In the House the bill had the unanimous approval of the Committee on Agriculture, and likewise in the Senate it was reported by the Finance Committee without disagreement.

In marked contrast to the attitude of suspicion and controversy which greeted the initial efforts in working out the sugar legislation of 1934, there appears to have been virtually unanimous agreement on the part of the various branches of the sugar industry and of their Representatives in the Congress that a satisfactory structure has been worked out in this very difficult matter. In 1934, despite the fact that the income of sugar growers had fallen for several years, that many processors had been operating at a loss, and that various other evils afflicted the industry, those of us who worked on this program found some branches of the industry uncertain that the program was really in their best interest. It is fortunate, indeed, that sugar producers, generally, supported the Congress and the administration in working out the sugar program which has since conferred so many benefits on sugar growers, processors, and laborers.

In addition to the value of this legislation in meeting the problems of the industry in the pre-war depression period, the administrative machinery and authority provided for under the act greatly facilitated the transition to wartime

conditions, as Judge Jones, the War Food Administrator, recently pointed out.

The first beet-sugar crop marketed after we entered the war was of near record volume. Consequently, when the Axis carried out an intensive campaign of submarine warfare on the Atlantic seaboard, large quantities of beet sugar were available for marketing in the distress areas of the eastern seaboard shut off from the usually abundant offshore supplies. In the two subsequent crops sugar-beet acreage has unfortunately been reduced through a number of adverse wartime factors. It is to be hoped that the Government's support in continuing the 1937 Sugar Act will be further evidence to our growers of the administration's interest in attaining a large sugar-beet acreage.

One of the virtues of this legislation is that it has stabilized the sugar industry and has increased the returns to growers without increasing the cost of sugar to the consumer. The law is self-sustaining and although substantial payments are made to the growers of sugar beets the fund out of which they are paid is raised by a tax which operates to redistribute the profits of the industry without increasing the cost of sugar on the table or in the factory.

Mr. President, I ask to have printed in the Record at this point a table showing the sugar-beet payments made in 1943 in the 20 States which are affected.

There being no objection, the table was ordered to be printed in the Record, as follows:

California.....	\$2, 692, 129. 37
Colorado.....	4, 159, 221. 09
Idaho.....	1, 627, 142. 85
Illinois.....	25, 525. 43
Indiana.....	55, 613. 50
Iowa.....	22, 008. 51
Kansas.....	100, 843. 42
Michigan.....	996, 417. 13
Minnesota.....	598, 043. 01
Montana.....	1, 694, 706. 47
Nebraska.....	1, 455, 860. 91
New Mexico.....	4, 750. 89
North Dakota.....	309, 310. 76
Ohio.....	301, 180. 12
Oregon.....	371, 502. 47
South Dakota.....	115, 458. 85
Utah.....	1, 084, 793. 47
Washington.....	464, 871. 04
Wisconsin.....	279, 564. 92
Wyoming.....	730, 720. 98

Total..... 17, 089, 665. 19

ALLOWANCES FOR MILEAGE OF GRADUATES OF THE MILITARY ACADEMY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1669) to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets, which was, on page 3, line 7, after "Academy" to insert, "Provided, That a person discharged from the armed forces to enter the United States Military Academy shall receive a mileage allowance at the rate of 5 cents per mile for travel performed not in excess of the distance by the shortest usually traveled route between the place

gives this Government the right to regulate the insurance business. I want to see a bill recommended to this Congress that the various States, speaking through their regular insurance commissioners, can support. I have a telegram here from the Association of Insurance Commissioners pointing out that they have set up a regular committee, headed by the insurance commissioner from Arkansas, Mr. Graves, for the purpose of drawing a decent bill which will express the intent of Congress that the regulation of the insurance business shall remain in the several States. Those are the men elected by law, representing the buyers of insurance within the various States, who tell the fire insurance companies, who tell the casualty companies, and the life insurance companies what to do in insurance matters. Each State selects the insurance commissioners to speak on insurance matters, and those people have sent me a telegram which expresses the fact that they have set up a commission and a committee to develop the facts. In the second place, they have adopted a resolution, not striking at the Supreme Court decision or asking you to pass this Walter bill, but a resolution that they want their attorneys general to try to set aside the Supreme Court decision. That is the proper way. In the meantime, they will come to you by September 1 with a bill that you will consider then and not now; a bill expressing the judgment of the insurance commissioners of this country. Most insurance companies are not afraid of the State regulation. The antitrust laws worry few concerns. You could repeal every antitrust law on our statute books, and the threat of Federal regulation would remain under the commerce clause. I am an insurance man. Most of the Members are lawyers, but you know I am right. You can repeal the antitrust laws of this country, but the threat of Federal regulation remains in effect under the commerce clause. Do not pass this bill in the meantime.

For your information, this is the telegram sent me from the president of the National Association of Insurance Commissioners:

ST. PAUL, MINN., June 20, 1944.

HON. CLINTON P. ANDERSON,
House Office Building,
Washington, D. C.:

The following two statements issued by the National Association of Insurance Commissioners at Chicago last week will clearly answer your inquiry. I quote first statement:

"The members of this association, through this regularly appointed committee, have been engaged in studying the effect of the several Federal legislative proposals, pending and suggested, affecting all branches of the insurance business.

"The recent opinion of the Supreme Court makes necessary the acceleration of the work of this committee so as to arrive, if possible, at specific recommendations to be submitted to a special session of the executive committee of this association to be convened for that purpose not later than September 1, 1944.

"There is no industry in this country in which the public has a more vital stake, and, therefore, it is essential that any dislocations of the insurance business operating under the supervision of the several States flowing from this decision, be kept to a minimum.

"Consequently in the acceleration of this study the committee proposes to consult, so far as is possible, with all persons, groups, or organizations interested in this question. The proposed procedure includes executive sessions, informal conference, and public hearings throughout the Nation as the occasion may necessitate, with public announcement by the chairman prior to each such session."

I quote second statement:

"Whereas the recent decision of the United States Supreme Court in the case of the *United States of America v. Southeastern Underwriters Association et al.* is to the effect that the business of insurance is commerce and whereas one of the consequences of this decision is to create doubt, perplexity, and confusion with respect to orderly and effective regulation of the business under the regulatory laws of several States: Therefore be it

"Resolved, That this association recommends to the insurance supervisory official of each State that he request his attorney general to consider the desirability of cooperating in securing a rehearing of the case by the United States Supreme Court."

NEWELL R. JOHNSON.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) entitled "An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes."

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1944.)

Mr. SPENCE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is the unanimous report of the conferees on the part of the Senate and the House on S. 1764, a bill to continue the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942.

We have long labored on this legislation. I think we have brought back a conference report, while it is not perfect, that will certainly meet with the approval of the Members. We all must realize the necessity for price control and stabilization. The economic forces that produce inflation are greater now than they have been. The production of consumer goods is steadily decreasing. The purchasing power of the American people is steadily increasing. The infla-

tionary gap widens, and as it widens, the peril increases.

We all want a law, I know, that will accomplish the purpose for which it was enacted, but we do not want to impose upon the American people any greater restrictions than are necessary for that purpose. We have made this law much less drastic than it was as originally enacted. I think the American people, by reason of their experience during prohibition and other restrictive measures, have discovered that the severity of the penalties instead of making for enforcement of the law, diminishes the chance of its enforcement. We have made the provisions in reference to price control and rent control broader in order that people might have greater opportunity for an adjudication of their complaints which were varied and continuous during the hearings. We have given them an opportunity to go into the courts. I think that is one of the things that the people, as a rule, most strenuously objected to; that is, that they did not have an opportunity to have their causes heard by the courts. Of course it is necessary in the enforcement of this act to have uniformity of decisions. It would be practically impossible to enforce this act if we had a multiplicity of decisions in all the various district courts, of which there are 85 in the United States, and 11 appellate courts. It is necessary to have one court to which these matters can be referred in order to have uniformity of decisions on the regulations and orders.

I think there has been a greater lack of knowledge in regard to the Emergency Court of Appeals than we can conceive of here. The Emergency Court of Appeals, to which an appeal lies from a decision of the Administrator, is a constitutional court. The Constitution states that the judicial powers of the United States shall be vested in one Supreme Court and such inferior courts as the Congress may from time to time ordain and establish. The only court the Constitution mandated the Congress to establish is the Supreme Court of the United States. The Emergency Court of Appeals has the same sanction of the Constitution as the district courts and all other inferior courts. It is not an O. P. A. court, it is an independent court, just as independent as the Supreme Court of the United States. Its judges are selected by the Chief Justice of the United States Supreme Court, and who is better qualified to select able justices than the Chief Justice? It is the Court over which he presides that reviews their decisions. He knows of their ability, their industry, and their knowledge of the law. He has selected three judges to preside over the Emergency Court of Appeals.

There is a special reason to have an Emergency Court of Appeals, in addition to the necessity for uniformity in decisions, because the judges must acquire technical knowledge, and the constant submission to them of the legality of orders and regulations will give them the knowledge and experience that is necessary for the efficient discharge of their duties.

The high character of these men is shown by the fact that they are appointed for life as district judges and judges of the circuit courts of appeals of the United States, at fixed salaries. The duties they perform in the Emergency Court of Appeals are without compensation, and they are onerous duties. Only men who desire to serve their country in its time of need would accept such appointments. These men have shown a high patriotic spirit and a desire to serve their country, and they have rendered most excellent service in presiding over this court.

We have given every man the right to test the constitutionality and the validity of the orders and regulations under which he may be charged. Heretofore the regulations of the O. P. A. were incontestable after 60 days. That might make for efficient administration but it is contrary to our conception of the rights of the American citizen. To say that he has a constitutional right but that he cannot assert it after a certain time is to virtually deny him that right.

This act changed that provision. Now those charged with violations of the orders or regulations of the O. P. A. can question the legality of those orders at any time. If the defendant is brought into the district court of the United States by the Administrator and the district court has no authority to pass upon the validity of the orders and regulations of the O. P. A., that is entirely in the jurisdiction of the Emergency Court of Appeals. If it is a criminal case, within 30 days after arraignment the defendant can apply to the district court for a stay. He can file that complaint in the Emergency Court of Appeals and have a decision rendered upon the legality of the order he has been charged with violating, and can do that within 30 days after the arraignment or within 5 days after final judgment.

The person who is charged in a civil action also has the right 5 days after judgment to file his complaint before the Emergency Court of Appeals and have a decision upon the legality of the order and district court shall grant a stay of execution pending the action in the Emergency Court. The decision of the Emergency Court of Appeals is certified to the district court, and if favorable to the defendant, judgment is rendered for him.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Under the conference report the defendant can go from the district court to the Emergency Court of Appeals to get a decision on the legality of the regulation?

Mr. SPENCE. Yes.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 5 additional minutes.

Mr. ROBSION of Kentucky. Could the defendant go from the Emergency Court of Appeals to the Supreme Court of the United States?

Mr. SPENCE. Yes; he has the right to go to the Supreme Court.

Mr. ROBSION of Kentucky. Then he would go back into the district court?

Mr. SPENCE. In all those cases he has the right to apply for a writ of certiorari in the Supreme Court. But if the decision of the Emergency Court of Appeals is favorable to him, it is certified to the district court and there is a stay of proceedings or execution of judgment until the final judgment is rendered in the Emergency Court of Appeals.

Mr. ROBSION of Kentucky. If it is adverse to the defendant, he can go on to the Supreme Court?

Mr. SPENCE. He can go on to the Supreme Court because the law gives him that right.

Mr. ROBSION of Kentucky. If it is favorable to the defendant, I assume the head of the O. P. A. could go to the Supreme Court, too?

Mr. SPENCE. Yes; either one of them could apply for a writ of certiorari.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. JENKINS. Do I correctly understand that in the conference report the committee brings back there is a provision that enables the grocery man or the individual to get into the district court himself? He cannot do it now.

Mr. SPENCE. No.

Mr. JENKINS. Then when you say you have brought back relief that is not quite true, because you are just exactly where you were before as far as the average citizen is concerned, and have made no change whatever.

Mr. SPENCE. Most of the complaints were complaints of the action of the Administrator against the individual. The court in which those complaints were brought was the district court of the United States, which could not pass upon the legality of the order or regulation under which he was charged. Now we give him an opportunity to test the legality of the regulation under which the complaint is made.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. BARRY. In answer to the gentleman's question, prior to the adoption of our amendment, or under existing law, a defendant could be indicted, prosecuted, and sent to the penitentiary without being able to set up the defense of illegality, but under our amendment the defendant who is being prosecuted criminally may now, before the trial, set up the defense of illegality.

Mr. SPENCE. That is absolutely correct.

Mr. BARRY. The Emergency Court of Appeals will pass on that, and the trial will be stayed until that is done.

Mr. SPENCE. It really obviates the complaint we heard so much about before the enactment of this act. I believe it will relieve that condition.

There is another thing. In a law such as this we need public approval for its enforcement.

I think the American people now understand the necessity of price control. I believe public sentiment is far more

powerful in the enforcement of an act such as this than are heavy penalties. That has been demonstrated frequently. It was shown during the time of prohibition when we could not enforce the severe penalties provided by that law. I think this act which we have passed which has given the people greater authority to set up their defenses and has eliminated some of the heavy penalties and which has given the O. P. A. Administrator directions to remedy the complaints which were most generally made will result in the better enforcement of the law.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. Yes.

Mr. JENKINS. In line with the statement of the gentleman from New York [Mr. BARRY], what I want to know is this: Is not this a fact, you have brought back no provision which permits the individual to get into any district court by reason of his own initiative?

Mr. SPENCE. The individual initiates very few suits against the O. P. A.

Mr. JENKINS. Certainly, because he cannot do it. The law does not permit him to do so.

Mr. SPENCE. The oppressions complained of are acts of the O. P. A. which the individual complains violates his rights. I think we have given him a remedy which is general and which will result beneficially in every way.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 3 additional minutes.

I yield to the gentleman from New York.

Mr. BARRY. Is it not true that the judges who sit in the Emergency Court of Appeals are district judges, that is, Federal judges?

Mr. SPENCE. They are district and circuit judges.

Mr. BARRY. And they are the same type of judges who sit in the district courts?

Mr. SPENCE. And they are serving in the Emergency Court of Appeals without compensation. They are appointed for life as district judges and have assumed these arduous duties without compensation, but merely as a patriotic duty in time of war. Instead of condemning these men I think they should be highly praised for the splendid services they are rendering.

Mr. BARRY. Is it not true that the chief judge of the Emergency Court of Appeals is appointed by the Chief Justice of the United States Supreme Court?

Mr. SPENCE. All of the judges are appointed by the Chief Justice of the Supreme Court of the United States who probably knows more of their qualifications and ability than any other person because his Court is the one that reviews their decisions.

Mr. ROLPH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ROLPH. Mr. Speaker, I would like to ask the gentleman from Kentucky my distinguished chairman of the Bank-

ing and Currency Committee, with whom I have been associated so pleasantly, why it is that the conferees decided to eliminate that investigating committee which we set up in the House.

Mr. SPENCE. Mr. Speaker, the conferees thought that would only bring trouble on the Committee on Banking and Currency, and would serve no useful purpose. After giving the matter consideration, I agree with them.

Mr. BARRY. Mr. Speaker, will the gentleman yield at that point?

Mr. SPENCE. Yes.

Mr. BARRY. Is it not true that some Members suggested that the Congress or the committee now has that power without passing other legislation?

Mr. SPENCE. Yes. There is no question but what the committee has the power to investigate the activities of the O. P. A. without any special committee being created.

Mr. ROLPH. Mr. Speaker, I certainly hope the committee in the future will use and exercise that power.

Mr. SPENCE. Mr. Speaker, I do not intend to discuss the many amendments in the bill. But I think we have brought back a bill which is an excellent one. I am quite sure it is going to meet with the approval of the House. Other Members will discuss the technical features of the bill. But I think I wanted to clear up the general misconception in regard to the Emergency Court of Appeals. There has been so much misunderstanding about the Emergency Court of Appeals, many of the Members here had seemed to think it was an O. P. A. court. It is not only an independent court, but it is a splendid court, composed of splendid judges, who have only one desire and that is to do justice to the litigants who come into their court.

The SPEAKER. The time of the gentleman has expired.

[Mr. WOLCOTT addressed the House. His remarks will appear hereafter in the Appendix.]

WAR DEPARTMENT APPROPRIATION BILL, 1945—SENT TO CONFERENCE

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SNYDER, STARNES of Alabama, MAHON, POWERS, ENGEL of Michigan, and CASE.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1945—SENT TO CONFERENCE

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30,

1945, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COFFEE, ANDERSON of New Mexico, NORRELL, WHITTEN, STEFAN, DWORSHAK, and JENSEN.

EXTENSION OF EMERGENCY PRICE CON- TROL AND STABILIZATION ACT OF 1942

Mr. SPENCE. Mr. Speaker, I yield 5 additional minutes to the gentleman from Michigan.

[Mr. WOLCOTT addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his own remarks in the RECORD.)

[Mr. MONRONEY addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I simply want to observe that here is a unanimous report by Democrats and Republicans, northerners and southerners, by people who are vitally interested not only in the cotton crop but in all other crops. In my opinion, you have before you a unanimous agreement from the conferees because they believe that in this presentation made to the two bodies there is procedure put down in words which will be more acceptable to the people of this country, than is the old law.

I think every member of the conference committee is fully aware that a law of this kind can never be reasonably administered without what might be said to be an overwhelming support of the people of the United States. I think it is reasonable to assume that perhaps 10 to 15 percent of the people might not go along with a measure of this kind, but if 90 percent go along, the law can be successfully administered.

As one of the conferees, I have desired all the way through to have a law which is bearable by the people of the United States. I think if the two bodies adopt this proposal, that this law, as here revised, will be much more acceptable and much more bearable than has been the old law to the people of the United States. That is primarily the reason why I am going along with this proposal.

I believe, Mr. Speaker, that the people of our country, the Congress, the Administrator, and the staff of O. P. A. have all learned a lot, since the hearings opened April 12, about the problems of administration and the intricacies and miseries to the people which are all involved in such a program as the O. P. A. embraces. I was opposed to an extension of the law for 18 months because I am one who wants the whole procedure reviewed

again within another 12 months' period. A law which so intimately and so terribly affects our people and their economy is one which we can well afford to spend the time and energy in reviewing once every 12 months, if necessary.

I hope that the progress with the war will be such that before another 12 months roll around our economy will change to such an extent that it will be necessary to materially alter this proposal again. That is my devout hope. I think we have some reason to believe that that may occur. I think the hearings have fully demonstrated that some kind of a control will be urged by the people of this country on into the post-war period. What that control will be, I do not know, but I think the Congress will find in the hearts and minds of the people a desire for some kind of a control fitting into our economy as best it can be made to do so.

I accept the statements of the legal minds on our committee with respect to the revised legal procedure here established, but as a layman I feel that our citizens will be recognized as having a great many more rights under this new procedure than were granted to them under the law which expires June 30. With respect to the so-called Rivers amendment, if this law is extended for only 1 year, and if the 1944 crops are already largely planted, what could you do with that amendment other than what the conference committee has recommended?

And finally, Mr. Speaker, it is my hope that the Congress has greatly benefited under the hearings and the debate and serious consideration that has been given to these questions and problems during the past 8 weeks. Every Member of this body wants this law to be a success. We want our administrators to do the right and equitable and fair thing at all times when they are dealing with the economic rights of our people. We want the law to be so bearable that it will compel the cooperation of our people with the administrators and the Congress. But if we are to expect the people to go along with the program it must at all times be a fair one, and by this I mean just as fair and equitable as strong men of great character and a keen sense of equity can make it. The Congress and the people must at all times be very vigilant when the rights of people are, even just temporarily, set aside and all in the name of war or a great national emergency. By no means do I want the general situation to develop wherein these great national emergencies will be continued, thus giving an excuse for the argument that the rights of citizens must continue to be set aside. There will come a day when strong men can no longer justify a great national emergency. There will come a day when our people will demand that those responsible either end the emergency or get off the job. Our people are long-suffering; they will go for long periods and travel long distances without too much complaint but eventually they comprehend the general objective and demand results; then the trifling must end. So now let us approve the conference report and be on our way.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I trust the conference report will receive the unanimous vote of the House. I have been particularly interested, as you know, in those features of the report dealing with the cotton problem. There were strong differences between myself and the gentleman from Georgia [Mr. Brown]. Since then I have conferred with him about this particular part of the report. This represents a compromise. Sometimes compromises are due to mildness of conviction, but in this case, after the House voted adversely upon the Brown amendment, we find him giving to the conference the benefit of his constructive thought on this problem in an effort to be fair to all interests. I am entirely in agreement with the views that are embodied in this part of the report. May I take advantage of this opportunity to pay tribute to the gentleman from Georgia for the fine attachment and continuous loyalty he has shown to the farmers of this country and for the contribution he has made to a compromise that I think will achieve some of his objectives, and at the same time maintain the stabilization program. I appreciate him, and appreciate the type of statesmanship that he has manifested throughout these deliberations.

WAR AGENCIES APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER appointed the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. NORRELL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, at the outset I desire to commend the conferees for as good a job, I am sure, as they could do under the circumstances. I particularly desire, as a member of the Committee on Agriculture, and one interested in agriculture, to commend the gentleman from Georgia [Mr. Brown] and the gentleman from Michigan [Mr. CRAWFORD] for their fine work.

In voting for the adoption of the conference report, which vote is for the extension of the Price Control Act for 1 year, I am acting with great reluctance and considerable apprehension. I have

no quarrel with the basic law as an emergency measure. The principle of this law I support wholeheartedly, but, having in mind the horrible mistakes and grave injustices that have occurred in the administration of a basically sound law, I vote with much trepidation and with the sincere hope that administrative evils will be cured and other like evils avoided in the future.

While the conference substitute does not contain the specific language of the amendment I offered to the act and which was adopted by the House, let me express appreciation that the report shows that this amendment is, in reality, a part of the reported bill. By the adoption of broader language and by specifically calling attention to the fact that this broader language and the directive to the President is intended to accomplish the purpose of my amendment, the conferees have actually adopted my amendment in its broadest sense.

It is my earnest hope that the administrative agencies will promptly take such action as may be required to comply with the clear and explicit intent of the Congress as that intent is expressed in this conference report.

May I ask the committee if in their opinion the amendment offered by the gentleman from North Carolina [Mr. RIVERS] is in any way changed from the form in which it originally passed the House, with particular respect to the basic purpose that the price intended to be set be given to the producers 15 days before the crop is put in the ground?

Mr. SPENCE. The amendment was revised by the legislative counsel. He thought we could put it in better form.

Mr. KLEBERG. It is the purpose, however, to carry out the intent of the Rivers amendment?

Mr. SPENCE. Yes.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. PACE].

[Mr. PACE addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. PACE asked and was given permission to revise and extend his remarks in the RECORD.]

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, the conferees placed in the bill a rewrite of the amendment I introduced on rent control. It covers those classes of cases where a substantial hardship has resulted since the maximum rent day for substantial and unavoidable increase in property taxes or operating costs. There are three substantial in this paragraph. I am wondering what we are to believe those three substantial indicate and what interpretation will be placed on those words by the Administrator. If it is administered in justice and fairness to the tenants and the owners of property, I am sure it will be all right, but I am glad to see that the committee expects to come back 1 year from now and have an ac-

counting from the Administrator as to how he has administered this act.

Mr. Speaker, I believe certain comments regarding the agreement reached by the conference is in order. It is very evident that unless the Administrator is trying to hide behind a subterfuge in doing justice in small rent cases he should have been willing to accept the wording of my amendment as contained in the bill which passed the House. No one knows just how the word "substantial" will be construed nor what regulations will be issued implementing the sentence which represents the modified version of my amendment.

I believe it is also pertinent to point out that in the amendment as accepted by the conference cognizance will be taken of hardship cases where there is an increase in property taxes or operating costs but not in case of a decrease. My amendment tried to be fair to both owners and tenants. The conference amendment favors just one side. It can be seen from this therefore if the owner milks the property and does not maintain it normally the resulting decrease in cost is not recognized for tenant adjustments.

Then there is the word "unavoidable" which differs from my amendment. Anyone can "avoid" increased costs if he does not maintain the property in proper operating condition. In the case of the word "hardship" I am wondering if the Administrator would try to relieve an owner from suffering a substantial loss from operating rental property or if he would expect the owner to withdraw savings or other earnings to make up this loss just to keep the rental doors open. I notice also that the provision for adjustment of inequities in multiple-unit properties is eliminated. This was contained in my amendment and is in accordance with the law in Canada. Can it be that the Administrator is fighting a rear-guard action and trying to avoid doing what is so obviously the intent of Congress, namely, the adjusting of rents on a basis of fairness and equity?

I insist that the only time that this was before the House and the sentiment of the House could be clearly indicated was when my amendment was on the floor and received a favorable vote of 96 to 67. If the intent of Congress as conclusively shown by the debate on my amendment and the resulting vote is followed by the Administrator I am sure we will have no cause to complain. If, however, there is a deliberate attempt by the Administrator to sabotage this amendment and if the conference committee's rewording of my amendment gives the Administrator the subterfuge that he could avail himself of to defeat the intent of Congress, then I propose to the people of all the defense-rental areas that they bring such nullification to the attention of the individual Members of Congress and there will undoubtedly be a day of retribution to follow.

I await with considerable interest the regulations to be drawn up following the passage of this bill.

They have eliminated the amendment by the gentleman from Michigan [Mr.

Wolcott] providing for adjustment of gross inequities in rents. Does that mean they will attempt to correct the slight inequities and neglect the large ones? But again what does "substantial" mean? Does it mean \$2 or 5 percent? And still again what are they going to do about "comparability"? If two houses side-by-side, comparable in every respect, have differences in rental ranging from 100 percent to 300 percent, is that a case for adjustment?

Finally, Mr. Speaker, I draw attention to certain words that may mean much or little in the administration of this act—"hardship," "substantial," "unavoidable," "peculiar circumstances," "comparable," and so forth. The interpretation of these words by the Administrator will determine whether he has conformed to the will of Congress or not. Mr. Speaker, I have done the best I could to provide an administration of rent control based on fairness to the owners of property and to the renters, likewise. My thanks to those of my colleagues supporting me in these efforts. If we fail it will not be because of any failure on our part to bring to the light of day the injustices that have arisen in the past.

[Mr. KUNKEL addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. JENKINS addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The time of the gentleman from California has expired. All time has expired.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just passed, immediately after the other remarks that have been made thereon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 3646) entitled "An act to amend section 42 of title 7 of the Canal Zone Code," requests

a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 10 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) entitled "An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes."

EXTENSION OF REMARKS

Mr. IZAC. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today on two bills.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter which a soldier sent home to his parents in Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two different places, in one to include an editorial and a statement by the Honorable E. D. Lambright, and in the other to include a speech made before the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks on the conference report just passed immediately following the remarks of the gentleman from California [Mr. IZAC].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just passed and include therein certain excerpts from the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROWE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the death of a newspaperman.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain extraneous matter. I have an estimate from the Public Printer that it will cost \$225.40, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. SCHWABE asked and was given permission to extend his remarks in the RECORD.)

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different subjects.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on four different matters and include therein certain excerpts and some correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks

in the RECORD on the O. P. A. and on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF SUSPENSION IN PART OF THE PROCESSING TAX ON COCONUT OIL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

After line 6 insert:

"Sec. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figure '100' the second time they appear in such column and inserting in lieu thereof the figures '110.'

"(b) The amendment made by subsection (a) shall apply to the computation of income tax under supplement T of chapter 1 of such code in the case of taxable years beginning after December 31, 1943."

Amend the title so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. DOUGHTON. Mr. Speaker, the bill, as passed by the House, extends for 2 years, until June 30, 1946, the suspension of the additional 2-cent tax of coconut oil from sources other than the Philippine Islands. The Senate agrees to the House bill with an amendment.

The Senate amendment corrects a typographical error made in the enrollment of the Individual Income Tax Act of 1944, approved by the President on May 29. In the tax table in supplement T, the alternative tax for individuals with adjusted gross income of less than \$5,000, the tax, in the case of an individual whose adjusted gross income is at least \$1,075 but less than \$1,100 and who has one surtax exemption, appears as \$100, instead of \$110, as passed by both Houses. The Senate amendment corrects the error, and the Senate also amends the title.

Mr. AUGUST H. ANDRESEN. I understand the 2-percent tax is still left in the law.

Mr. DOUGHTON. It extends the time that would have expired at the end of this month and extends the time for 2 years, until June 30, 1946, except for the Philippine Islands.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. JENKINS. I understand the Senate has again exercised that prerogative of adding some sort of little,

trifling amendment to the real bill about which the gentleman is speaking?

Mr. DOUGHTON. I will say to the distinguished gentleman from Ohio it was discovered there was an error made in the enrollment of the individual income tax law of 1944. That being the case it was necessary to correct that error and this was the only opportunity to do it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

(By unanimous consent, Mr. DOUGHTON received permission to revise and extend his remarks.)

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that all Members who have special orders to address the House tonight be permitted to extend their remarks in the RECORD at this point, if they so desire.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLE of New York. Mr. Speaker, several decades ago America's great poet-philosopher, Ralph Waldo Emerson, asserted that the true test of civilization is not the census nor the size of the cities nor the crops—"no, but the kind of man a country turns out." The kind of man a nation turns out was his measure of that nation's greatness. It is not the vastness of the nation's territorial domain, it is not its unlimited resources, it is not the hordes of people dwelling within its limits nor the monuments and memorials erected to the glory of its past that makes a nation strong and enduring. It is the character of its citizenry.

How revealing this statement of Emerson becomes when we look back over the ages and note the rise of such great civilizations as Egypt, Greece, and Rome, each in its turn representing the acme of the intellectual, scientific, and cultural advancement of its day, but each in its turn sinking into comparative oblivion as the force of moral disintegration and decay began to soften the character of its citizenry. Unhappily, there are a great many Americans, far too many, who today are either unmindful of the spiritual dangers which threaten our national life or are convinced that our fabulous riches and resources, our great reservoir of skilled and highly trained population, our vast stretches of fertile lands, wooded mountains and broad rivers, our lofty skyscrapers, our bank vaults jammed with gold, our scientific and technological geniuses, or our favored position as God's chosen people, will save us from the dangers and disasters which have befallen not only Egypt, Greece, and Rome, but all other earlier peoples and civilizations who failed to keep themselves morally strong.

This blind confidence and this smug complaisance are certain to lead to our slow but inevitable destruction as a great people. No nation, just as no individual, can long continue to have the finer and better material things in life unless it deserves them through the living of an honorable, honest, and a moral life. In the long run, each of us receives just about that to which we are entitled as measured by the quality of our character, the strength of our integrity, and the hardness of our moral stamina. It is equally so with nations.

Mr. Speaker, one of the consequences of the war in which we are now engaged and which is cause for genuine alarm is the rapid growth of juvenile delinquency and the increasing waywardness of our children. War's destructive arm not only demolishes homes, factories, and cities, not only maims, blinds, cripples, and kills the best of our manhood, but even extends its blighting hand to warp the minds and hearts of our children. It is unnecessary for me to recite statistics and figures to establish the fact that moral delinquency among our youth is steadily increasing. One needs only to observe for himself as he rides the trains, visits the hotels, the cocktail bars, the places of amusement and even as he walks the streets of any of our cities, to be convinced that here is a condition which, if allowed to continue unchecked, will inevitably result in a weakening of our national character.

Already many of our larger cities have inaugurated programs looking toward a mitigation of this evil by opening and making available to the young people places of amusement and entertainment conducted under wholesome conditions and proper influences. There are other plans and programs aimed at curbing the same evil. Unquestionably, such movements are highly beneficial and have already been proven to be immensely worth while but they are not sufficient nor do they strike at the heart of the evil. It is not enough that we simply provide our children with activities which will remove them from the influences of temptation; we must go further and teach them the difference between good and evil and show them that the good way of life possesses certain rewards and that the evil way entails inevitable pains and penalties. Nor is it enough that we enact legislation proscribing certain kinds of human behavior which are generally accepted to be immoral.

I am convinced that one of the reasons why young people go astray, if not the main reason, is that they do not properly understand what is good and what is bad in the field of human behavior. We may build all the parks, playgrounds, and amusement places that money can buy, but that alone will not effectively teach this fundamental lesson.

What, then, is the best way to instill in the minds of the children a knowledge and training in the right kind of living so that they will be able to distinguish between right and wrong, so that they will desire to choose the right instead of the wrong, and so that they will develop the habit of doing right? Certainly, we cannot legislate goodness into the hearts

[PUBLIC LAW 383—78TH CONGRESS]

[CHAPTER 325—2D SESSION]

[S. 1764]

AN ACT

To amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Stabilization Extension Act of 1944".

TITLE I—AMENDMENTS TO THE EMERGENCY PRICE
CONTROL ACT OF 1942

TERMINATION DATE

SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1944" and substituting "June 30, 1945".

AMENDMENT OF SECTION 2 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 102. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided*, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. Every regulation

or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term 'regulation or order' means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for

housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area. Whenever the Administrator shall find that, in any defense-rental area or any portion thereof specified by him, the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act in such defense-rental area or portion thereof shall be forthwith abolished; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area or portion thereof, he may forthwith by regulation or order reestablish maximum rents for housing accommodations therein in accordance with the standards set forth in this Act.

“(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Under regulations to be prescribed by the Administrator, he shall provide for the making of individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, and in those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

“(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in con-

nection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

“(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however*, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any

agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose; and appropriations for such purpose are hereby authorized to be made.

"(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

"(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

"(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942.

"(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"(k) No regulation, order, or price schedule issued under this Act shall, after the effective date of this subsection, require any seller of goods at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This

requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

“(11) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case.”

AMENDMENTS TO SECTION 3 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 103. (a) Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

“(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.”

(b) Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

“(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or any fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.”

AMENDMENTS TO SECTION 201 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 104. (a) Section 201 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250."

(b) Section 201 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: *Provided*, That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge."

AMENDMENTS TO SECTION 202 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 105. (a) Section 202 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"SEC. 202. (a) The Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder."

(b) Section 202 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(i) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

AMENDMENT OF SECTION 203 OF THE EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 106. Section 203 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"PROCEDURE

"SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time

after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

“(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

“(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

“(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Admin-

istrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period."

AMENDMENTS TO SECTION 204 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 107. (a) Subsection (c) of section 204 of the Emergency Price Control Act of 1942, as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: "Two judges shall constitute a quorum of the court and of each division thereof."

(b) Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order or price schedule, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding insti-

tuted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation, order, or price schedule involved in the proceeding. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

AMENDMENTS TO SECTION 205 OF EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 108. (a) The third sentence of subsection (c) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided, however,* That all suits under subsection (e) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent."

(b) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges or \$25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither wilfull nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes

of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered."

(c) The amendment made by subsection (b), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within thirty days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this Act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this Act and with respect to proceedings instituted thereafter.

(d) Subsection (f) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof, inserting a colon and the following: "*Provided*, That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942."

(e) Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this Act. Any action to enjoin or set aside such order shall be brought within five days after the service thereof. No suspension order shall take effect within five days after it is served, or, if an application for a stay is made to the Administrator within such five-day period, until the expiration of five days after service of an order denying the stay. No interlocutory relief shall be

granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "*Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section:"

(b) Section 3 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

AMENDMENT TO SECTION 4 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 202. Section 4 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made."

TERMINATION DATE

SEC. 203. Section 6 of such Act of October 2, 1942, as amended, is amended by striking out "June 30, 1944" and substituting "June 30, 1945".

AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

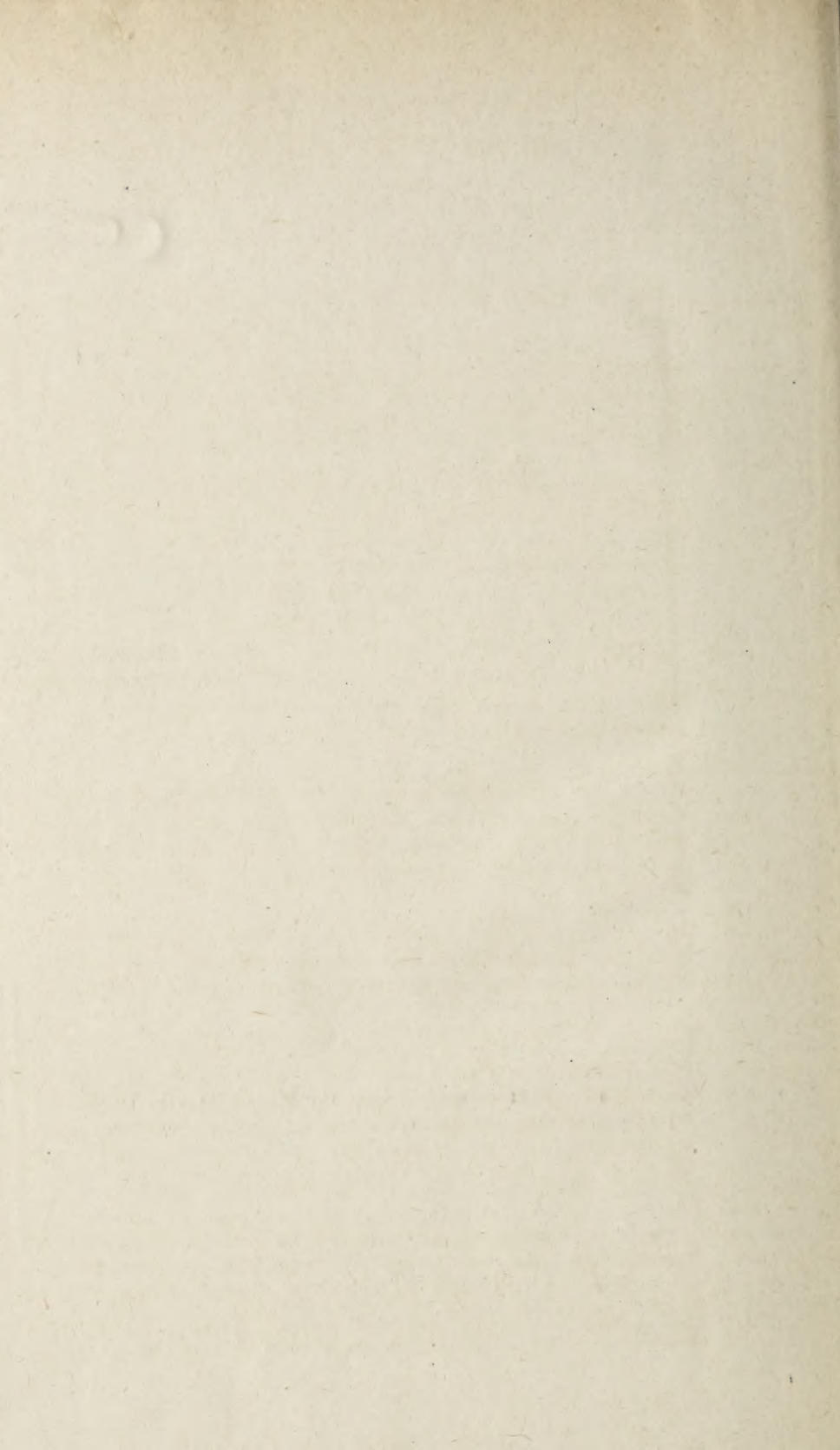
SEC. 204. Section 8 (a) (1) of such Act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out "at the rate of 90 per centum of the parity price" and inserting in lieu thereof "at the rate in the case of cotton of 92½ per centum, and at the rate in the case of the other commodities of 90 per centum, of the parity price". The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made.

SHORT TITLE

SEC. 205. Such Act of October 2, 1942, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 12. This Act may be cited as the 'Stabilization Act of 1942'."

Approved June 30, 1944.



STATEMENT BY THE PRESIDENT ON THE STABILIZATION
EXTENSION ACT

June 30, 1944

By the Stabilization Extension Act which I have just signed, the Congress renews the general authority vested in the executive agencies by the Emergency Price Control and Stabilization Acts to hold the line against inflation.

For more than two years, under the Emergency Price Control and Stabilization Acts, we have been fighting inflation and fighting it successfully. Although the cost of living rose substantially in the early years of the war, for a whole year the cost of living has been held without change. This, of course, was possible only with the aid of the limited subsidies authorized by the Congress. While clothing prices have risen during the past year, they have not risen enough to wipe out the reduction in retail prices of necessary food items. Meantime rents have been firmly held.

The Stabilization Extension Act represents the considered judgment of the Congress that the policies and the programs which have resulted in this achievement are sound policies and sound programs and should be continued for another year.

In particular it should be noted that the Congress rejected all pleas which would require any general change in the wage, price and subsidy policies now in effect.

During the past three months, while the Extension Act was under consideration and debate in the Congress, the clamor of pressure groups was loud in the land. I think it is a source of gratification that in spite of this clamor the Congress has stood firm against any departure from the basic principles which have made it possible for us to hold the line.

Some of the amendments introduced in the Stabilization Extension Act may make it somewhat harder to hold the line. But I am advised by the enforcing agencies that in their opinion the line can be held against inflationary price increases if they are supported in a firm administration of the law in accordance with its basic objectives.

The provisions of the Extension Act which give me the most concern are those relating to enforcement. No act is any better than its enforcement. No act, least of all a price control act, can be effectively enforced without the support of the people affected by it. But people tend to become careless in the observance of even a good law if it is not enforced against the fringe of chisellers who will violate a law whenever they think they can get away with it.

I know that the Congress in relaxing the penalties against non-willful violations was anxious to protect only those acting in good faith and not those who do not wish to know what the law requires of them. But I fear that the changes made will weaken and obstruct the effective enforcement of the law. I hope that experience may not justify my fear. But if it should turn out that the enforcing officers encounter serious difficulties in bringing chisellers and blackmarket operators to book, I shall ask the Congress to remove the difficulties.

In enacting the Stabilization Extension Act, the Congress has performed a signal service. It has heard and considered all the complaints against the Stabilization Act. It has tried to deal with those complaints fairly. It has shown statesmanship and courage in resisting group pressure and in protecting the public interest. By its action, it has made clear that it is the wish,

(OVER)

not of a few government officials, but of all our people that the line against inflation should be held.

I think the occasion is appropriate to express deep appreciation of the splendid work done by the officials charged with enforcing the Stabilization Program, and particularly the workers in the field offices, and in all the county war boards and the local price and rationing boards. Without them we could not have held the line. They have served their country well.

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